

UN-AUDITED
HALF YEARLY REPORT
DECEMBER 31,
2024

SURAJ
سورج

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Company Information

Board of Directors

Mr. Khalid Bashir (Chairman)
Mr. Adil Bashir
Mr. Ahsan Bashir
Mr. Asif Bashir
Ms. Maheen Hisham Adamjee
Mr. Mohammad Iqbal
Mr. Shams Rafi

Chief Executive Officer

Mr. Nadeem Maqbool

Chief Financial Officer

Mr. Naeem Sheikh

Audit Committee

Mr. Shams Rafi (Chairman)
Mr. Asif Bashir
Mr. Ahsan Bashir

HR & R Committee

Ms. Maheen Hisham Adamjee (Chairman)
Mr. Nadeem Maqbool
Mr. Ahsan Bashir
Mr. Adil Bashir

Risk Management Committee

Mr. Asif Bashir (Chairman)
Mr. Nadeem Maqbool
Mr. Ahsan Bashir

Share Registrar

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

Auditors

Riaz Ahmad & Co.
Chartered Accountants

Company Secretary

Mr. Shahzad Nazir

Bankers

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
MCB Islamic Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Samba Bank Limited
FINCA Microfinance Bank Limited
Meezan Bank Limited
Bank Alfalah Limited

Registered Office

Tricon Corporate Center, 8th Floor, 73-E, Main Jail
Road, Gulberg II, Lahore
Ph: +92-423-5760379, 35760382
Fax: +92-423-5760376
Email: corp.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

On behalf of the Board of Directors, I am pleased to present the operating and financial performance of the company for the half year ended 31 December 2024.

Overview

Your company managed to show good results for the period under review despite the textile industry being faced with insurmountable challenges. There has been a sharp increase in the cost of doing business with high energy prices and financial costs. Inflation figures show a declining trend and this has resulted in easing of the monetary policy with the policy rate coming down sharply. This, one hopes will lead to some improvement in industrial growth. The country's foreign exchange reserves are maintained leading to exchange rate stability.

The period under review has shown a decline in sales of approximately 8.61% with gross profit decreased by 13.98% as corresponding period. Administrative and other expenses remained largely in line with last year. Financial charges decreased sharply due to lower borrowing by our Nooriabad unit which closed down its operations due to negative margins and also due to a decline in the mark-up rates. During the reporting period, the company's profit after tax declined by 11.86% with earnings per share of Rs. 11.05 (2023: Rs. 12.53).

Following is summarized Income Statement for half year ended 31 Dec 2024:

Brief Income Statement	2024	2023	% Change
	(PKR in Million)		
Revenue	14,358	15,711	-8.61%
Gross profit	1,147	1,334	-13.98%
Profit from operations	1,122	1,186	-5.42%
Financial cost	107	232	-53.73%
Profit before taxation	860	776	10.90%
Taxation	321	164	95.59%
Net Profit	539	611	-11.86%
Earnings per Share (EPS)	11.05	12.53	

Future Outlook

The stock market continued its rising trend and in the period under review, the company earned dividend income of Rs. 160 m as well as recorded gain on sale of investments. Analysts continue to be optimistic about the market performance in the coming period as well even though the gains are now pared with evidence of consolidation.

Raw cotton output recorded a decline in excess of 30% compared with last year's output and the quality was much lower than the last crop. This has led to the spinning industry importing large quantities which will put pressure on the foreign exchange reserves. We understand the government in contemplating steps to increase our cotton production and necessary steps have been initiated.

The next six months are fraught with challenges and we hope to be able to continue to consolidate our performance. The industry continues to face high energy tariffs and an extremely high incidence of taxation. For the remainder of the year, we remain optimistic but with a note of caution. The industry will be forced to pay higher prices for energy for balance of the current financial year. Uncertainty remains with exchange parity of Pak rupee as well as the direction taken by the central bank to reduce inflation.

Your company will continue to focus on its core competencies and its managerial expertise to limit the negative effects and continue to try and perform as per the expectations of its stakeholders. We are always looking for new opportunities to diversify and shall keep you apprised of our efforts.

Directors' Report

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.



Chief Executive

19th February 2025
Lahore



Director

ڈائریکٹرز رپورٹ

کی وجہ سے اسپننگ انڈسٹری بڑی مقدار میں کپاس درآمد کر رہی ہے جس سے زرمبادلہ کے ذخائر پر دباؤ پڑے گا۔ ہمارا خیال ہے کہ حکومت کپاس کی پیداوار بڑھانے کے اقدامات پر غور کر رہی ہے اور ضروری اقدامات شروع کر دیے گئے ہیں۔

اگلی ششماہی میں بہت زیادہ مشکلات درپیش ہیں اور ہم امید کرتے ہیں کہ ہم اپنی کارکردگی مستحکم کرنے کے قابل ہوں گے۔ صنعت کو توانائی کے زیادہ ٹیرف اور انتہائی زیادہ ٹیکس کے نفاذ کا سامنا کرنا پڑ رہا ہے۔ سال کی دوسری ششماہی کے لئے، ہمیں امید ہے کہ محتاط انداز میں، صنعت رواں مالی سال کے بقیہ عرصہ کے لئے توانائی کی زیادہ قیمت ادا کرنے پر مجبور ہوگی۔ پاکستانی روپیہ کے تبادلے کی برابری کے ساتھ ساتھ مرکزی بینک کی جانب سے افراط زر کو کم کرنے کے لیے کی جانے والی ہدایات کے حوالے سے غیر یقینی صورتحال برقرار ہے۔

آپ کی کمپنی منفی اثرات کو محدود کرنے کے لئے اپنی بنیادی صلاحیتوں اور انتظامی مہارت پر توجہ مرکوز رکھنا اور اپنے اسٹیک ہولڈرز کی توقعات کے مطابق کوشش اور کارکردگی کا مظاہرہ جاری رکھے گی۔ ہم ہمیشہ جدت کے نئے مواقع کی تلاش میں ہیں اور آپ کو اپنی کوششوں سے آگاہ رکھیں گے۔

اعتراف

بورڈ آف ڈائریکٹرز کی جانب سے، میں اس موقع پر اپنے تمام شراکت داروں اور ملازمین کا ان کی مسلسل حمایت پر شکریہ ادا کرنا چاہوں گا۔ میں اس موقع پر بورڈ کا ان کی قیمتی بصیرت اور رہنمائی کا شکر گزار ہوں۔

ڈائریکٹر

چیف ایگزیکٹو

19 فروری 2025

لاہور

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے مجھے 31 دسمبر 2024 کو ختم ہونے والے ششماہی کے لئے کمپنی کی آپریٹنگ اور مالیاتی کارکردگی پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

حسابزہ

ٹیکسٹائل انڈسٹری کو ناقابل تسخیر مشکلات کا سامنا کرنے کے باوجود آپ کی کمپنی زبرد جانرہ مدت کے لئے اچھے نتائج حاصل کرنے میں کامیاب رہی۔ توانائی کی زیادہ قیمتوں اور مالی اخراجات کے باعث کاروبار کرنے کی لاگت میں تیزی سے اضافہ ہوا ہے۔ افراط زر کے اعداد و شمار میں کمی کارخانہ ظاہر ہو رہا ہے اور اس کے نتیجے میں مانیٹری پالیسی میں نرمی آئی اور پالیسی ریٹ میں تیزی سے کمی آئی ہے۔ امید کی جاسکتی ہے کہ اس سے صنعتی ترقی میں کچھ بہتری آئے گی۔ ملکی زر مبادلہ کے ذخائر برقرار رہے جس سے شرح مبادلہ میں استحکام آیا ہے۔

زبرد جانرہ مدت کے دوران فروخت میں تقریباً 8.61 فیصد کمی دیکھی گئی اور مجموعی منافع میں اسی مدت کے مقابلے میں 13.98 فیصد کمی واقع ہوئی ہے۔ انتظامی اور دیگر اخراجات بڑے پیمانے پر پچھلے سال کے مطابق رہے ہیں۔ ہمارے نوری آباد پونٹ کی طرف سے کم قرضے لینے کی وجہ سے مالیاتی چارجز میں تیزی سے کمی واقع ہوئی جس نے منفی مارجن اور مارک اپ شرحوں میں کمی کی وجہ سے اپنے آپریٹنگ بند کر دیے۔ رپورٹنگ مدت کے دوران کمپنی کے بعد از ٹیکس منافع میں 11.86 فیصد کمی واقع ہوئی اور فی حصص آمدنی 11.05 روپے (2023: 12.53 روپے) رہی۔

31 دسمبر 2024 کو ختم ہونے والی ششماہی کے لئے آمدنی کا خلاصہ درج ذیل ہے:

موجودہ مدت کے لیے اہم مالی نکات مندرجہ ذیل ہیں:

آمدنی کا مختصر بیان	دسمبر 24	دسمبر 23	فیصدی تبدیلی
	(پاکستانی روپے ملین میں)		
آمدنی	14,358	15,711	-8.61%
مجموعی منافع	1,147	1,334	-13.98%
آپریٹنگ منافع	1,122	1,186	-5.42%
مالی لاگت	107	232	-53.73%
ٹیکس سے پہلے منافع	860	776	10.90%
ٹیکس	321	164	95.59%
خالص منافع	539	611	-11.86%
فی حصص آمدنی (ای پی ایس)	11.05	12.53	

مستقبل کا نقطہ نظر

سٹاک مارکیٹ میں تیزی کارخانہ جاری رہا اور زبرد جانرہ مدت کے دوران کمپنی نے 160 ملین روپے منافع کی آمدنی حاصل کرنے کے ساتھ ساتھ سرمایہ کاری کی فروخت پر بھی منافع درج کیا۔ تجزیہ کار آئندہ عرصہ میں بھی مارکیٹ کی کارکردگی کے بارے میں پُر امید ہیں اگرچہ یہ فوائد اب استحکام کے ثبوت کے مساوی ہیں۔

خام کپاس کی پیداوار میں گزشتہ سال کی پیداوار کے مقابلے میں 30 فیصد سے زائد کمی ریکارڈ کی گئی اور معیار پچھلی فصل کے مقابلے میں بہت ناقص تھا۔ اس



Financial Statements

For the Half Year ended 31 December 2024

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 2024 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 2024 and 31 December 2023 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 2024.

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 Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 21 February 2025


UDIN: RR202410158jsbwLkmXo

Condensed Interim Statement of Financial Position

As At 31 December 2024

	Un-Audited 31 December 2024	Audited 30 June 2024
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 100,000,000 (30 June 2024: 100,000,000)		
ordinary shares of Rupees 10 each	1,000,000	1,000,000
Issued, subscribed and paid up share capital 48,809,515 (30 June 2024: 48,809,515)		
ordinary shares of Rupees 10 each	488,094	488,094
Reserves	4 12,327,785	11,646,918
TOTAL EQUITY	12,815,879	12,135,012
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing - secured	5 2,770,410	3,061,792
Deferred liabilities	1,435,623	1,253,030
	4,206,033	4,314,822
CURRENT LIABILITIES		
Trade and other payables	3,996,999	3,788,364
Accrued mark-up	43,508	58,277
Short term borrowings	480,372	977,007
Current portion of non-current liabilities	1,152,157	1,138,393
Provision for taxation and levy payable - net	501,269	427,765
Unclaimed dividend	8,577	7,313
	6,182,882	6,397,119
TOTAL LIABILITIES	10,388,915	10,711,941
CONTINGENCIES AND COMMITMENTS		
	6	
TOTAL EQUITY AND LIABILITIES	23,204,794	22,846,953

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

		Un-Audited	Audited
		31 December 2024	30 June 2024
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,691,501	8,462,115
Investment properties		472,690	472,690
Long term investments		1,235,988	1,028,838
Long term deposits		19,067	19,067
		10,419,246	9,982,710
CURRENT ASSETS			
Stores, spare parts and loose tools		527,321	653,026
Stock-in-trade		5,827,649	5,964,697
Trade debts		3,564,067	2,756,220
Loans and advances		121,347	169,288
Short term deposits and prepayments		143,954	302,783
Other receivables		684,589	746,615
Short term investments	8	1,547,392	1,870,345
Cash and bank balances		346,764	378,804
		12,763,083	12,841,778
Non-current assets classified as held for sale		22,465	22,465
		12,785,548	12,864,243
TOTAL ASSETS		23,204,794	22,846,953


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss (Un-Audited)

For the half year ended 31 December 2024

	Note	Half year ended		Quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		(Rupees in thousand)		(Rupees in thousand)	
Revenue from contracts with customers	9	14,358,204	15,711,292	6,755,299	8,037,580
Cost of Sales	10	(13,210,573)	(14,377,195)	(6,092,313)	(7,301,642)
Gross Profit		1,147,631	1,334,097	662,986	735,938
Distribution Cost		(129,814)	(152,676)	(64,998)	(73,728)
Administrative Expenses		(159,597)	(159,016)	(78,621)	(84,855)
Other Expenses		(101,319)	(82,799)	(35,775)	(54,325)
		(390,730)	(394,491)	(179,394)	(212,908)
		756,901	939,606	483,592	523,030
Other Income		365,672	247,248	253,291	178,597
Profit from Operations		1,122,573	1,186,854	736,883	701,627
Finance Cost		(107,418)	(232,136)	(46,267)	(113,555)
Profit Before Levy And Taxation		1,015,155	954,718	690,616	588,072
Levy		(154,349)	(178,538)	(122,930)	(114,249)
Profit Before Taxation		860,806	776,180	567,686	473,823
Taxation		(321,620)	(164,440)	(215,210)	(105,798)
Profit After Taxation		539,186	611,740	352,476	368,025
Earnings per Share - Basic and diluted (Rupees)	11	11.05	12.53	7.22	7.54

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 2024

	Half year ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(Rupees in thousand)		(Rupees in thousand)	
PROFIT AFTER TAXATION	539,186	611,740	352,476	368,025
Other comprehensive income :				
Items that will not be reclassified to profit or loss:				
Fair value adjustment arising on remeasurement of investments at fair value through other comprehensive income - net of tax	385,729	229,830	427,109	258,217
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income / (loss) for the period - net of tax	385,729	229,830	427,109	258,217
Total comprehensive income for the period	924,915	841,570	779,585	626,242

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 2024

	Reserves							Total	Total Equity
	Capital Reserves				Revenue Reserves				
	Share premium reserve	Fair value reserve on FVTOCI investments	Sub total	General Reserve	Unappropriated profit	Sub total	Total		
------(Rupees in thousand)-----									
Balance as at 30 June 2023 - (audited)	443,722	29,000	(258,152)	(229,152)	3,714,000	6,868,844	10,582,844	10,353,692	10,797,414
Transactions with owners:									
Bonus shares issued for the year ended 30 June 2023 @ 10%	44,372	-	-	-	-	(44,372)	(44,372)	(44,372)	-
Final dividend for the year ended 30 June 2023 @ Rupee 1 per share	-	-	-	-	-	(44,372)	(44,372)	(44,372)	(44,372)
Transfer of gain on disposal of FVTOCI investment to retained earnings	-	-	(7,682)	(7,682)	-	7,682	7,682	-	-
Profit for the period	-	-	-	-	-	611,740	611,740	611,740	611,740
Other comprehensive income for the period	-	-	229,830	229,830	-	-	-	229,830	229,830
Total comprehensive income for the period	-	-	229,830	229,830	-	611,740	611,740	841,570	841,570
Balance as at 31 December 2023 - (un-audited)	488,094	29,000	(36,004)	(7,004)	3,714,000	7,399,522	11,113,522	11,106,518	11,594,612
Transfer of gain on disposal of FVTOCI investments to retained earnings	-	-	(31,711)	(31,711)	-	31,711	31,711	-	-
Profit for the period	-	-	-	-	-	394,678	394,678	394,678	394,678
Other comprehensive income for the period	-	-	145,722	145,722	-	-	-	145,722	145,722
Total comprehensive income for the period	-	-	145,722	145,722	-	394,678	394,678	540,400	540,400
Balance as at 30 June 2024 - (audited)	488,094	29,000	78,007	107,007	3,714,000	7,825,911	11,539,911	11,646,918	12,135,012
Transactions with owners:									
Final dividend for the year ended 30 June 2024 @ Rupees 5 per share	-	-	-	-	-	(244,048)	(244,048)	(244,048)	(244,048)
Transfer of gain on disposal of FVTOCI investments to retained earnings	-	-	(113,252)	(113,252)	-	113,252	113,252	-	-
Profit for the period	-	-	-	-	-	539,186	539,186	539,186	539,186
Other comprehensive income for the period	-	-	385,729	385,729	-	-	-	385,729	385,729
Total comprehensive income for the period	-	-	385,729	385,729	-	539,186	539,186	924,915	924,915
Balance as at 31 December 2024 - (un-audited)	488,094	29,000	350,484	379,484	3,714,000	8,234,301	11,948,301	12,327,785	12,815,879

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Cash Flows (Un-Audited)
For the half year ended 31 December 2024

		31 December 2024	31 December 2023
	Note	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	1,192,395	1,621,149
Finance cost paid		(122,187)	(226,609)
Workers' profit participation fund paid		(105,988)	-
Workers' welfare fund paid		(5,536)	-
Income tax and levy paid		(204,903)	(168,922)
Profit on bank deposits and term deposit received		64,719	41,149
Increase in long term deposits		-	(12,990)
Net cash generated from operating activities		818,500	1,253,777
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(615,376)	(14,861)
Proceeds from disposal of property, plant and equipment		24,250	6,420
Investments made		(2,063,747)	(1,530,262)
Proceeds from sale of investments		2,841,466	651,509
Dividends received		52,788	81,545
Net cash from / (used in) investing activities		239,381	(805,649)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(350,502)	(285,048)
Repayment of lease liability		-	(358)
Short term borrowings - net		(496,635)	(27,663)
Dividend paid		(242,784)	(44,373)
Net cash used in financing activities		(1,089,921)	(357,442)
Net (decrease) / increase in cash and cash equivalents		(32,040)	90,686
Cash and cash equivalents at the beginning of the period		378,804	142,567
Cash and cash equivalents at the end of the period		346,764	233,253

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 2024

1. THE COMPANY AND ITS ACTIVITIES

Suraj Cotton Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at Office No. 802, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg-II, Lahore. The Company is engaged in 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 2024. 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. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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 2024.

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 2024.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
 For the half year ended 31 December 2024

	Un-Audited 31 December 2024	Audited 30 June 2024
	(Rupees in thousand)	
4. RESERVES		
Capital reserves:		
Share premium reserve	29,000	29,000
Fair value reserve on FVTOCI investments - net of deferred income tax	350,484	78,007
	379,484	107,007
Revenue reserves:		
General reserve	3,714,000	3,714,000
Unappropriated profit	8,234,301	7,825,911
	11,948,301	11,539,911
	12,327,785	11,646,918
5. LONG TERM FINANCING - SECURED		
From banking companies		
Opening balance	3,624,454	4,053,946
Add: Obtained during the period / year	-	-
Less: Repaid during the period / year	(350,502)	(597,322)
Add: Deferred income - Government grant	79,890	167,830
	3,353,842	3,624,454
Less: Current portion shown under current liabilities	(583,432)	(562,662)
	2,770,410	3,061,792

6. CONTINGENCIES AND COMMITMENTS
6.1 Contingencies

i) There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024 except as follows:

ii) Guarantees of Rupees 704.807 million (30 June 2024: Rupees 565.461 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.

6.2 Commitments

i) Contracts for capital expenditure are approximately of Rupees 247.360 million (30 June 2024: Rupees 433.689 million).

ii) Letters of credit other than for capital expenditure are of Rupees 3,690.506 million (30 June 2024: Rupees 861.597 million).

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For the half year ended 31 December 2024

	Note	Un-Audited 31 December 2024 (Rupees in thousand)	Audited June 30, 2024
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	8,691,501	8,345,728
Capital work-in-progress	7.2	-	116,387
		8,691,501	8,462,115
7.1 Operating fixed assets			
Opening book value		8,345,728	7,051,705
Add: Cost of additions during the period / year	7.1.1	731,763	2,100,648
Transfer from right of use asset		-	967
		9,077,491	9,153,320
Less: Book value of deletions during the period / year	7.1.2	(5,651)	(3,321)
Less: Depreciation charged during the period / year		(380,339)	(804,271)
		8,691,501	8,345,728
7.1.1 Cost of additions			
Buildings on freehold land		8,731	101,938
Plant and machinery		580,015	1,848,156
Office equipment		49,585	-
Office premises		52,892	-
Electric installations		30,886	111,128
Vehicles		9,654	39,426
		731,763	2,100,648
7.1.2 Book value of deletions			
Plant and machinery		2,838	1,410
Vehicles		2,813	1,911
		5,651	3,321
7.2 Capital work-in-progress			
Buildings on freehold land		-	2,474
Office premises		-	37,232
Plant and machinery		-	76,681
		-	116,387
8. SHORT TERM INVESTMENTS			
At fair value through profit or loss:			
Equity investments		529,328	382,906
Mutual funds		757,698	1,487,439
At amortized cost			
Debt instruments - term deposit receipts		260,366	-
		1,547,392	1,870,345

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For the half year ended 31 December 2024

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

9.1 In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition.

	Spinning						Weaving						Total - Company					
	Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended			
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024			
Primary geographical markets	(RUPEES IN THOUSAND)																	
Pakistan	5,748,495	8,238,635	2,301,609	3,909,092	8,311,213	7,115,280	4,279,278	4,019,443	14,069,708	15,353,915	6,580,887	7,928,635						
China	-	-	-	-	34,102	28,118	-	-	-	34,102	-	-	-	-	-	-	-	
Italy	-	-	-	-	261,430	214,511	174,412	109,045	261,430	214,511	174,412	109,045	-	-	-	-	-	
Portugal	-	-	-	-	-	32,711	-	-	-	32,711	-	-	-	-	-	-	-	
Turkey	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Romania	-	15,452	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Germany	34,896	32,483	-	-	-	-	-	-	34,896	32,483	-	-	-	-	-	-	-	
Sri Lanka	2,170	-	-	-	-	-	-	-	2,170	-	-	-	-	-	-	-	-	
	5,785,561	8,286,570	2,301,609	3,909,092	8,572,643	7,424,722	4,453,690	4,128,488	14,358,204	15,711,292	6,755,299	8,037,580						
Major products lines																		
Yarn	5,651,134	8,286,570	2,295,154	3,909,092	-	-	-	-	5,651,134	8,286,570	2,295,154	3,909,092						
Greige fabric	-	-	-	-	8,572,643	7,424,722	4,453,690	4,128,488	8,572,643	7,424,722	4,453,690	4,128,488						
Cotton	134,427	-	6,455	-	-	-	-	-	134,427	-	-	-						
	5,785,561	8,286,570	2,301,609	3,909,092	8,572,643	7,424,722	4,453,690	4,128,488	14,358,204	15,711,292	6,755,299	8,037,580						
Timing of revenue recognition																		
Products transferred at a point in time	5,785,561	8,286,570	2,301,609	3,909,092	8,572,643	7,424,722	4,453,690	4,128,488	14,358,204	15,711,292	6,755,299	8,037,580						
Products transferred over time	-	-	-	-	-	-	-	-	-	-	-	-						
	5,785,561	8,286,570	2,301,609	3,909,092	8,572,643	7,424,722	4,453,690	4,128,488	14,358,204	15,711,292	6,755,299	8,037,580						

9.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For the half year ended 31 December 2024

	Un-Audited			
	Half year ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	----- (Rupees in Thousand) -----			
10. COST OF SALES				
Raw materials consumed	9,458,518	10,275,366	4,079,185	5,319,163
Sizing expenses	71,970	70,716	36,197	36,510
Stores, spare parts and loose tools consumed	171,204	160,252	94,267	74,178
Packing materials consumed	104,016	111,590	53,325	58,245
Salaries, wages and other benefits	828,797	802,682	414,873	419,168
Fuel and power	2,044,669	1,953,448	977,518	1,047,875
Repair and maintenance	138,381	97,276	69,548	49,520
Insurance	23,938	25,628	11,720	12,688
Other factory overheads	19,295	20,725	9,309	10,692
Depreciation	364,893	385,492	189,890	191,857
	13,225,681	13,903,175	5,935,832	7,219,896
Work-in-process:				
Opening stock	396,277	346,703	385,296	432,614
Closing stock	(389,923)	(389,946)	(389,923)	(389,946)
	6,354	(43,243)	(4,627)	42,668
Cost of goods manufactured	13,232,035	13,859,932	5,931,205	7,262,564
Finished goods:				
Opening stock	2,840,590	2,624,521	3,023,160	2,146,336
Closing stock	(2,862,052)	(2,107,258)	(2,862,052)	(2,107,258)
	(21,462)	517,263	161,108	39,078
	13,210,573	14,377,195	6,092,313	7,301,642

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
 For the half year ended 31 December 2024

		Un-Audited	
		Half year ended	
		31 December 2024	31 December 2023
11.	EARNINGS PER SHARE - BASIC AND DILUTED		
	There is no dilutive effect on the basic earnings per share which is based on:		
	Profit attributable to ordinary shareholders (Rupees in thousand)	539,186	611,740
	Weighted average number of ordinary shares (Numbers)	48,809,515	48,809,515
	Earnings per share - Basic and diluted (Rupees)	11.05	12.53
		Un-Audited	
		Half year ended	
		31 December 2024	31 December 2023
		(Rupees in thousand)	
	Note		
12.	CASH GENERATED FROM OPERATIONS		
	Profit before levy and taxation	1,015,155	954,718
	Adjustments for non-cash charges and other items:		
	Depreciation on property, plant and equipment	380,339	400,782
	Depreciation on right-of-use asset	-	233
	Gain on sale on investments at fair value through profit or loss	(95,100)	(22,822)
	Exchange gain	(277)	(3,173)
	Allowance for expected credit loss	15,730	3,501
	Dividend income	(52,788)	(81,545)
	Gain on disposal of property, plant and equipment	(18,599)	(3,794)
	Provision for slow moving, obsolete and damaged store items	5,295	1,488
	Provision for workers' profit participation fund	54,520	51,274
	Provision for workers' welfare fund	20,717	19,484
	Finance cost	107,418	232,136
	Unrealized gain on re-measurement of investments at fair value through profit or loss	(123,172)	(95,321)
	Profit on bank deposits and term deposit receipts	(64,719)	(41,149)
	Working capital changes 12.1	(52,124)	205,337
		1,192,395	1,621,149

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For the half year ended 31 December 2024

	Note	Un-Audited	
		Half year ended	
		31 December 2024	31 December 2023
		(Rupees in thousand)	
12.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		120,410	66,305
Stock-in-trade		137,048	(268,988)
Trade debts		(823,300)	(465,536)
Loans and advances		47,941	(49,570)
Trade deposits and short term prepayments		158,829	(80,170)
Other receivables		62,026	294,478
		(297,046)	(503,481)
Increase in trade and other payables		244,922	708,818
		(52,124)	205,337

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For the half year ended 31 December 2024

13 SEGMENT INFORMATION

13.1 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.

13.2 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.

	(UN-AUDITED)							
	Spinning		Weaving		Elimination of Inter-segment transactions		Total-Company	
	Half year ended 31 Dec, 2024	Half year ended 31 Dec, 2023	Half year ended 31 Dec, 2024	Half year ended 31 Dec, 2023	Half year ended 31 Dec, 2024	Half year ended 31 Dec, 2023	Half year ended 31 Dec, 2024	
	----- Un-Audited ----- (Rupees in thousand)							
Revenue from contracts with customers								
External Inter-segment	5,785,561 5,681,423	8,286,570 3,720,808	7,424,722 -	- (3,720,808)	- (5,681,423)	- (5,681,423)	14,358,204 -	
Cost of sales								
External Inter-segment	11,466,984 (5,346,943) 5,681,423	12,007,378 (7,341,346) (3,720,808)	7,424,722 (7,035,849) -	- (7,035,849) (3,720,808)	(5,681,423) 5,681,423	(5,681,423) 3,720,808	14,358,204 15,711,292 (14,377,196)	
Gross profit	438,618 (35,431) (111,615)	945,224 (75,021) (112,330)	388,873 (77,655) (46,686)	- (7,035,849) (3,720,808)	5,681,423	3,720,808	1,334,097 (129,814) (159,597)	
Distribution cost	(147,046)	(187,351)	(124,341)	-	-	-	(311,692)	
Administrative expenses								
Profit before taxation and unallocated expenses	291,572	757,873	264,532	-	-	-	858,220	
Unallocated income and expenses:								
Other expenses							(101,319)	
Other income							365,672	
Finance cost							(107,418)	
Levy							(154,349)	
Taxation							(321,620)	
Profit after taxation							559,186	
							611,740	

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For the half year ended 31 December 2024

13.3 Reconciliation of Reportable Segment Assets and Liabilities

	Spinning		Weaving		Total-Company	
	Un-Audited 31 Dec, 2024	Audited 30 June, 2024	Un-Audited 31 Dec, 2024	Audited 30 June, 2024	Un-Audited 31 Dec, 2024	Audited 30 June, 2024
Total assets for reportable segment	14,921,592	13,153,978	5,004,667	6,298,637	19,926,259	19,452,615
Unallocated assets:						
Investment properties			472,690		472,690	472,690
Long term investments			1,235,988		1,235,988	1,028,838
Short term investments			1,547,392		1,547,392	1,870,345
Non-current assets classified as held for sale			22,465		22,465	22,465
Total assets as per condensed interim statement of financial position			23,204,794		23,204,794	22,846,953
Total liabilities for reportable segments	5,989,104	4,837,050	2,454,342	4,186,783	8,443,446	9,023,833
Unallocated liabilities:						
Deferred liabilities					1,435,623	1,253,030
Provision for taxation and levy payable - net					501,269	427,765
Unclaimed dividend					8,577	7,313
Total liabilities as per condensed interim statement of financial position					10,388,915	10,711,941

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For the half year ended 31 December 2024

14. 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 2024 - Un-audited

Level 1	Level 2	Level 3	Total
---------	---------	---------	-------

(Rupees in Thousand)

Financial assets				
Fair value through other comprehensive income	1,235,988	-	-	1,235,988
Fair value through profit or loss	1,287,026	-	-	1,287,026
	2,523,014	-	-	2,523,014

Recurring fair value measurements at
30 June 2024 - Audited

Level 1	Level 2	Level 3	Total
---------	---------	---------	-------

(Rupees in Thousand)

Financial assets				
Fair value through other comprehensive income	1,022,980	-	-	1,022,980
Fair value through profit or loss	1,870,345	-	-	1,870,345
	2,893,325	-	-	2,893,325

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.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For the half year ended 31 December 2024

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year ended 31 December 2024. 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 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 2024

15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, joint ventures, other related parties and key management personnel. 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	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		(Rupees in thousand)		(Rupees in thousand)	
i)	Transactions				
	Associated companies				
	Purchase of electricity	9,161	-	1,347	-
	Sale of goods	241,777	66,168	241,777	20,392
	Purchase of goods	217,533	97,133	217,533	55,684
	Insurance expense	59,720	65,351	2,236	4,681
	Freight services	70,390	38,716	34,270	12,195
	Investment disposed of	73,264	-	73,264	-
	Dividend paid	115,990	21,089	115,990	21,089
	Key management personnel				
	Remuneration paid to Chief Executive Officer, Director	34,561	32,415	17,950	16,198
	Dividend paid	72,931	8,421	72,931	8,421
	Other related parties				
	Company's contribution to provident fund trust	32,562	19,462	17,528	11,665
	Associated companies				
	Bonus shares issued	-	2,108,914	-	2,108,914
	Key management personnel				
	Bonus shares issued	-	842,192	-	842,192

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For the half year ended 31 December 2024

ii) Period end balances

	As At 31 December 2024 (Un-Audited)		
	Associated Companies	Other Related Parties	Total
	(Rupees in Thousand)		
Trade debts	11,413	-	11,413
Trade and other payables	18,373	5,994	24,367
Other receivables	6,705	-	6,705
Loans and advances	7,208	-	7,208
Short term investments	-	6,101	6,101
Long term investments	94,698	-	94,698

	As At 30 June 2024 (Audited)		
	Associated Companies	Other Related Parties	Total
	(Rupees in Thousand)		
Trade debts	652	-	652
Trade and other payables	30,050	13,393	43,443
Other receivables	6,705	-	6,705
Loans and advances	7,177	-	7,177
Short term investments	-	4,976	4,976
Long term investments	101,194	-	101,194

16. 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 2024.

17. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 19th February 2025.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For the half year ended 31 December 2024

18. 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.

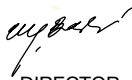
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

19. 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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سورج

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