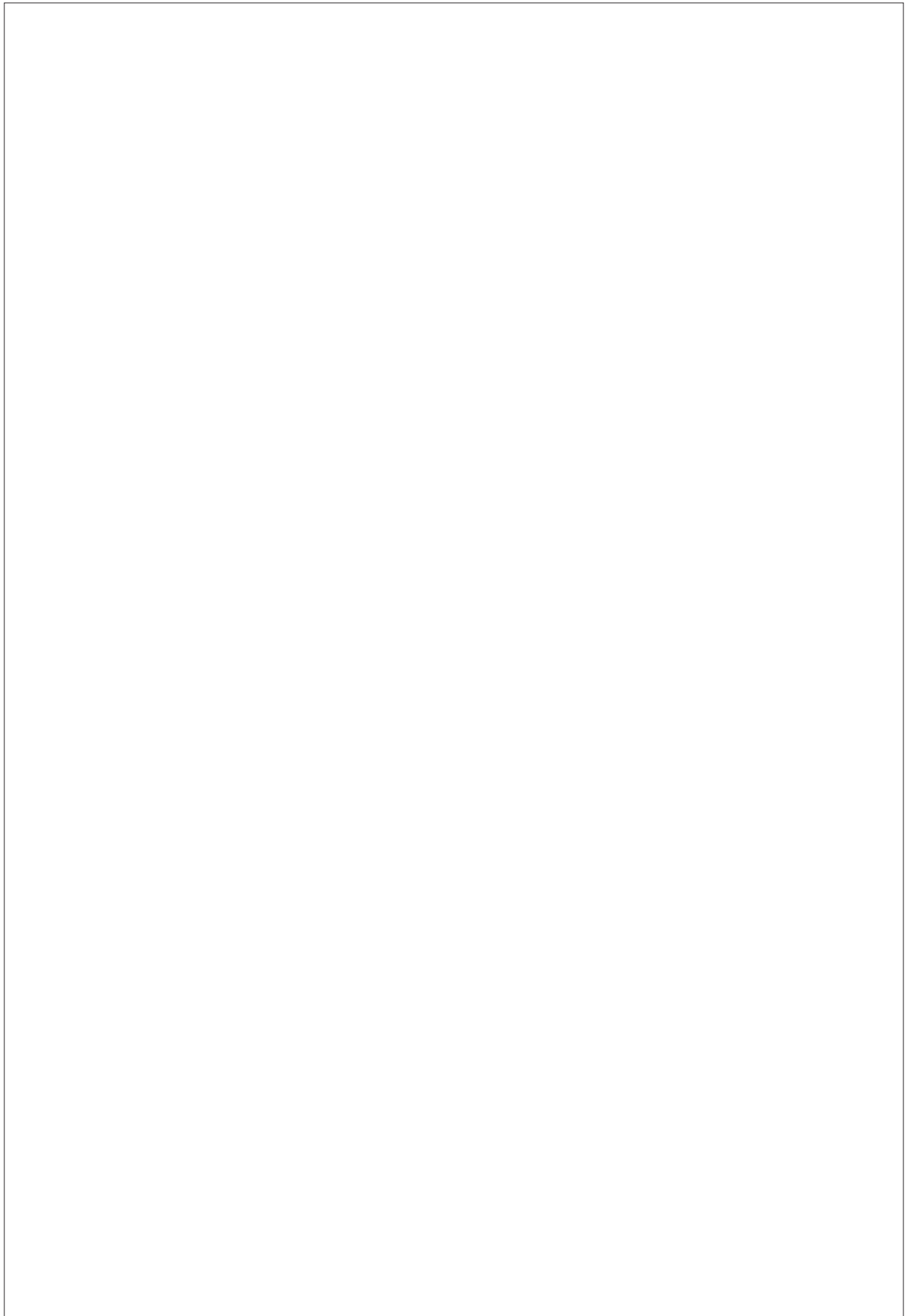




SURAJ
سورج

Half Yearly Report
December 31,
2018
Un-Audited





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Company Information

Board of Directors

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

Chief Executive Officer

Nadeem Maqbool

Chief Financial Officer

Farooq Ahmed

Audit Committee

Humayun Maqbool
Ahsan Bashir
Adil Bashir

HR & R Committee

Ahsan Bashir (Chairman)
Adil Bashir (Member)
Humayun Maqbool (Member)

Share Registrar

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

Auditors

EY Ford Rhodes
Chartered Accountants

Bankers

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
Dubai Islamic Bank Limited
Habib Metropolitan Bank Limited

Registered Address

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

Ph: +92-423-5760379, 35760382

Fax: +92-423-5760376

Email: infor@suraj.com

Web: www.suraj.com

Project Locations

Nooriabad, District Dadu, Sindh.

Kotla Kahloon, District Nankana Sahib, Punjab.

Bhaikot, Rawind, District Lahore, Punjab.

Chief Executive's Review

We are pleased to present the six-month financial statements for the period up to 31 December 2018 which have been reviewed by the auditors.

In the period under review, the Company's operating results have shown significant improvement with profit after tax at Rs. 186.059 million. Annualized earnings per share for the period R. 5.07 (HY2017: Rs. 3.30). Net sales of the company were Rs. 6.737 billion as compared to Rs. 4.881 billion for the corresponding period, an increase of approximately 38%. This can be attributed to better sales volume and an increase in rupee terms due to devaluation. Distribution costs decreased due to lower export sales as the demand in international markets continued to remain weak. Administrative costs remained within control. Financial Charges have primarily increased due to increased borrowing and additional long term borrowing and due a steady increase in KIBOR. Other operating expenses for the half year are Rs. 123.789 million which are largely due to the impairment loss on the company's investment portfolio. The PSX has been steadily declining and a total impairment of Rs. 96 million has been provided for the period under review.

The cotton crop output for this year is estimated at approximately 10.8 million bales which will once again fall short of the industry requirements. The additional cotton needed by the industry to operate at full capacity will have to be met through imports. Most of these imports have been delayed due to imposition of duty and sales tax which has only been removed on 01 February 2019. This has resulted in inflated prices of raw cotton during the first six months of the accounting year. Yarn and fabric demand remained very sluggish and export of yarn and fabric declined to historically low levels. Our market share is being continuously eroded and we find ourselves unable to compete with the other regional countries.

The energy situation in Punjab has been consistently improving and since October, the government has provided better pricing mechanisms for the export industry in a bid to boost this sector so that it is able to arrest the declining trend. The government has provided competitive RLNG rates and since January, the price of electricity has also been reduced for the export sector. This has enabled the industry to become competitive and we expect further improvements in the second half of the year.

Future Prospects

We view the next six months with optimism and hope that the demand for yarn and fabrics, especially from China, will improve. This belief is reinforced by the current positive climate of USA- China talks which may lead to US tariffs on China being reduced leading to increased demand for our products. Since January, the export markets have started to show some signs of improvement and we hope that this will continue. Having said this we still are concerned about competition from India which is aggressively eroding our market share in traditional markets. Indian yarn imports into Pakistan are also showing a steady trend.

We continue to stress the importance of addressing the declining trend in cotton production. Shortage of cotton in the country necessitates imports which means spending foreign exchange and also due to the declining value of the Pak rupee makes this cotton very expensive thus eroding our margins. We hope that the government will take immediate remedial measures and institute measures to increase the size of the cotton crop in Pakistan.

In our earlier reports we had indicated that the company was seeking new avenues of investment with an emphasis on diversification. We are examining different avenues and will apprise the stakeholders in the near future.

Acknowledgements

We would take this opportunity to thank all our shareholders and partners for their valued support and our employees for their dedication. We would also like to thank the Board of Directors for their guidance and advice at all times.



Nadeem Maqbool

27 February 2019
Lahore

چیف ایگزیکٹو کی رائے

ہم 31 دسمبر 2018 تک کے آڈیٹرز کی جانب سے نظر ثانی شدہ ششماہی مالیاتی گوشوارے پیش کرنے پر خوشی محسوس کر رہے ہیں۔ دورانیہ ہذا میں کمپنی کے آپریٹنگ نتائج میں خاطر خواہ بہتری دیکھنے کو ملی ہے اور اس دوران ٹیکسز کی ادائیگی کے بعد حاصل ہونے والا منافع مبلغ 186.059 ملین روپے رہا۔ اس عرصہ کے دوران سالانہ آمدن فی شیئر مبلغ 5.07 روپے جو پچھلے دورانیے میں (مبلغ 3.30) رہی۔ کمپنی کی مجموعی فروخت 6.737 ملین روپے رہی، جو پچھلے دورانیے میں 4.881 ارب روپے تھی اور اس طرح سیل میں 38 فیصد اضافہ ہوا۔ اس کی وجہ بہترین سبزر اور روپے کی قدر میں کمی کی وجہ سے قیمتوں میں اضافہ ہے۔ تریسیلا لاگت میں کمی آئی، کیونکہ بین الاقوامی مارکیٹ میں طلب کم ہونے کی وجہ سے برآمدات کم ہوئیں۔ انتظامی اخراجات بھی کنٹرول میں رہے۔ KIBOR میں مسلسل اضافے کی وجہ سے مالیاتی چارجز میں اضافہ ہوا۔ ششماہی کے دوران کمپنی کو چلانے کے دیگر اخراجات 123.789 ملین روپے ہیں جو کمپنی کے انویسٹمنٹ پورٹ فولیو میں اثاثوں کی قیمت میں کمی (امپائر منٹ لاس) کی وجہ سے ہیں۔ PSX میں مسلسل مندی کا رجحان ہے اور دورانیہ ہذا کے دوران کل 96 ملین روپے ایمپائر منٹ کی مد میں فراہم کیے جانے لگے ہیں۔

اس سال کپاس کی پیداوار کا تخمینہ 10.8 ملین گانٹھیں ہے، جو ایک بار پھر صنعت کی ضرورت سے کم ہے۔ کمپنی کو مکمل آپریٹنگ کپاسٹی پر کام کرنے کے لیے ضرورت پڑنے والی اضافی کپاس درآمد کے ذریعے پوری کی جائے گی۔ ان میں سے زیادہ تر درآمدات ڈپوٹی اور دیگر ٹیکس عائد کیے جانے کی وجہ سے تاخیر کا شکار ہیں۔ یہ (ٹیکس اور ڈپوٹی) صرف یکم فروری کو ہٹائی گئی۔ اس کی وجہ سے رواں مالی سال کے پہلے چھ ماہ میں خام کپاس مہنگی ہوئی۔ کپڑے اور دھاگے کی طلب سستی کا شکار رہی اور ان دونوں کی برآمد تاریخ کی کم ترین سطح پر آگئی۔ ہمارا مارکیٹ شیئر مسلسل کم ہوتا جا رہا ہے اور ہم دیگر علاقائی ملکوں کا مقابلہ نہیں کر پا رہے۔

پنجاب میں ازبجی کی صورت حال مسلسل بہتری کی طرف گامزن ہے اور اکتوبر سے حکومت نے برآمدی صنعت کے لیے ازبجی کی قیمتوں کا بہتر لائحہ عمل فراہم کیا ہے تاکہ اس شعبہ کو اٹھایا جاسکے اور یہ کہ اس میں زوال پذیری کے رجحان پر قابو پایا جاسکے۔ حکومت نے RNLG مناسب نرخوں پر فراہم کی اور جنوری سے برآمدی شعبہ کے لیے بجلی کی قیمتوں میں کمی کی گئی ہے۔ اس سے صنعت میں مقابلہ کرنے کی سکت پیدا ہوئی ہے اور ہمیں امید ہے کہ سال کی اگلی ششماہی میں مزید بہتری آئے گی۔

مستقبل کے امکانات

اگلی ششماہی کے بارے میں ہم پرامید ہیں اور توقع کرتے ہیں کہ کپڑے اور دھاگے کی طلب میں خاص طور پر چین کی طرف سے بہتری آئے گی۔ ہماری اس امید کو امریکہ اور چین کے حالیہ مثبت ماحول میں ہونے والے مذاکرات بڑھاوا دیتے ہیں، جن کے نتیجے میں امریکہ کی طرف سے چین پر عائد ٹیکسز میں کمی کے امکانات ہیں، جس سے ہماری مصنوعات کی طلب میں اضافہ ہوگا۔ جنوری سے ایکسپورٹ مارکیٹ میں بہتری دیکھنے کو ملی ہے اور ہمیں امید ہے کہ یہ جاری رہے گی۔ اس سب کے باوجود ہمیں بھارت کا مقابلہ کرنے سے متعلق خدشات ہیں، جو مقامی مارکیٹوں میں ہمارے مارکیٹ شیئر کو بری طرح متاثر کر رہا ہے۔ پاکستان میں بھارتی دھاگے کی درآمد کا رجحان بھی بڑھتا جا رہا ہے۔

ہم اس بات پر زور دیتے رہیں گے کہ کپاس کی پیداوار کے کم ہوتے رجحان پر قابو پانا بہت ضروری ہے۔ ملک میں کپاس کی کمی کی وجہ سے درآمد کرنا ضروری ہو جاتا ہے، جس کے لیے غیر ملکی زرمبادلہ خرچ کرنا پڑتا ہے اور پاکستانی روپے کی قدرتی قدر کی وجہ سے یہ کپاس ہمیں بہت مہنگی پڑتی ہے اور یوں ہمارا منافع کم ہو جاتا ہے۔ ہمیں امید ہے کہ حکومت اس ضمن میں فوری اقدامات اٹھائے گی اور پاکستان میں کپاس کی پیداوار میں اضافے کے لیے اقدامات کرے گی۔

اپنی بجلی سپلائی میں ہم نے نشاندہی کی تھی کہ کمپنی تنوع کو فوجیت دیتے ہوئے سرمایہ کاری کے نئے راستوں کے لیے دیکھ رہی ہے۔ ہم مختلف راستوں کا جائزہ لے رہے ہیں اور مستقبل قریب میں اپنے سٹیک ہولڈرز کو اس بارے میں مطلع کریں گے۔

اعتراف

ہم اس موقع پر اپنے تمام شیئر ہولڈرز و شرکاء داروں کا ان کی قیمتی معاونت پر شکر یہ ادا کرتے ہیں اور اپنے ملازمین کی کام سے وابستگی پر ان کے بھی مشکور ہیں۔ ہم بورڈ آف ڈائریکٹرز کی ہمد وقت رہنمائی اور مشوروں پر ان کا بھی شکر یہ ادا کرتے ہیں۔

ندیم مقبول

27 فروری 2019

لاہور

Financial Statements

For the Half Yearly ended December 31, 2018

Condensed Interim Statement of Financial Position
As At December 31, 2018

		Un-Audited Dec 31, 2018	Audited June 30, 2018
	Note	(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 50,000,000 (30 June 2018: 50,000,000) ordinary shares of Rupees 10/- each		500,000	500,000
Issued, subscribed and paid up share capital	5	366,713	318,881
Share premium		29,000	29,000
Revenue reserves		5,241,017	5,230,342
Available for sale reserve		(18,006)	41,976
		5,618,724	5,620,199
NON CURRENT LIABILITIES			
Long term financing	6	2,739,153	2,885,828
Deferred tax		217,886	66,511
		2,957,039	2,952,339
CURRENT LIABILITIES			
Trade and other payables	7	1,910,646	1,581,088
Unclaimed dividend		3,359	3,293
Short term borrowings		671,907	993,116
Current portion of non current liabilities	8	155,258	40,708
		2,741,170	2,618,205
		5,698,209	5,570,544
TOTAL EQUITY AND LIABILITIES		11,316,933	11,190,743
CONTINGENCIES AND COMMITMENTS	9		

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

		Un-Audited Dec 31, 2018	Audited June 30, 2018
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	5,332,086	5,483,352
Investment properties		100,000	100,000
Investment in joint venture		50,000	50,000
Long term deposits		19,879	19,879
		5,501,965	5,653,231
CURRENT ASSETS			
Stores, spares and loose tools	11	180,404	182,562
Stock in trade	12	2,907,083	2,714,766
Trade debts	13	706,752	732,216
Loans and advances	14	111,566	103,274
Trade deposits and short term prepayments		38,006	18,692
Balances with statutory authorities		4,686	6,554
Tax refunds due from the government		570,092	565,662
Other receivables		13,112	31,511
Short term investments	15	932,014	1,052,384
Cash and bank balances		286,189	64,827
		5,749,904	5,472,448
Assets held for sale		65,064	65,064
		5,814,968	5,537,512
TOTAL ASSETS		11,316,933	11,190,743


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss (Un-Audited)
For The Half Year Ended December 31, 2018

	Note	Half year ended		Quarter ended	
		Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
(Rupees in thousand)					
Sales	16	6,737,873	4,881,451	3,646,262	2,724,163
Cost of sales	17	6,105,422	4,508,469	3,337,972	2,480,954
Gross profit		632,451	372,982	308,290	243,209
Distribution cost	18	56,455	70,794	26,074	41,872
Administrative expenses	19	80,108	70,817	40,582	35,475
Other operating expenses	20	123,789	96,816	44,013	80,200
		260,352	238,427	110,669	157,547
Other income	21	372,099	134,555	197,621	85,662
		52,572	44,568	45,683	40,131
		424,671	179,123	243,304	125,793
Finance cost	22	87,237	54,318	49,182	24,265
Profit before taxation		337,434	124,805	194,122	101,528
Taxation	23	151,375	3,801	151,375	3,088
Profit after taxation		186,059	121,004	42,747	98,440
			(Restated)		(Restated)
Earnings per share - Basic and diluted (Rupees)		5.07	3.30	1.17	2.68

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Half Year Ended December 31, 2018

	Half year ended		Quarter ended	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
	(Rupees in thousand)			
Profit for the period	186,059	121,004	42,747	98,440
Other comprehensive income :				
<i>Other comprehensive income to be reclassified to loss and loss in subsequent periods :</i>				
Net realized loss on available for sale investment	(59,982)	(193,204)	(89,526)	(43,857)
Total comprehensive income / (loss) for the period	126,077	(72,200)	(46,779)	54,583

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

Condensed Interim Cash Flow Statement (Un-Audited)

For The Half Year Ended December 31, 2018

	Dec 31, 2018	Dec 31, 2017
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	337,434	124,805
Adjustment for non-cash and other items		
Depreciation	247,755	160,657
Net gain on disposal of short term investments	(1,551)	(4,458)
Exchange (gain) / loss	(3,057)	(62)
Dividend income	(38,757)	(31,318)
Gain on disposal of property, plant and equipment	(3,864)	(62)
Provision for Workers' Profit Participation Fund	18,122	6,569
Provision for Workers Welfare Fund	6,886	-
Finance cost	87,237	54,318
Impairment loss on available for sale investment	96,063	72,864
Profit on bank deposits	(2,202)	(831)
Cash flows from operating activities before working capital changes	744,066	382,482
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	2,158	51,710
Stock in trade	(192,317)	(433,729)
Trade debts	28,521	(146,501)
Loans and advances	(8,292)	(10,203)
Trade deposits and short term prepayments	(19,314)	(16,588)
Balances with statutory authorities	1,868	1,014
Other receivables	18,399	4,780
Increase in current liabilities:		
Trade and other payables	325,424	323,425
Net cash from / (used in) working capital	156,447	(226,092)
CASH GENERATED FROM / (USED IN) OPERATIONS	900,513	156,390
Finance cost paid	(89,014)	(62,529)
Workers' Profit Participation Fund Paid	(19,097)	(25,951)
Income tax paid	(4,430)	(39,971)
Dividend paid	(127,486)	(86,968)
Return on bank deposit received	2,202	831
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	662,688	(58,198)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(98,054)	(396,653)
Proceeds from disposal of property, plant and equipment	5,430	(8,077)
Investments - net	(34,124)	199,671
Dividend received	38,757	31,318
NET CASH USED IN INVESTING ACTIVITIES	(87,991)	(173,741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	(31,556)	7,631
Finance lease liabilities repaid	(570)	(1,170)
(Decrease)/ increase in short term borrowings - net	(321,209)	292,623
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(353,335)	299,084
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	221,362	67,145
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	64,827	41,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	286,189	108,821

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity (Un-Audited)
For The Half Year Ended December 31, 2018

	Capital reserves			Revenue reserves				
	Share Capital	Share premium	Available for sale reserve	Sub total	General	Unappropriated profit	Sub total	Total
	(Rupees in thousand)							
Balance as on 01 July 2017	289,892	29,000	180,506	209,506	3,714,000	1,066,838	4,780,838	5,280,236
Net profit for the period from 01 July 2017 to 31 December 2017	-	-	-	-	-	121,004	121,004	121,004
Other comprehensive income	-	-	(193,204)	(193,204)	-	-	-	(193,204)
Total comprehensive income for the period	-	-	(193,204)	(193,204)	-	121,004	121,004	(72,200)
Issue of bonus shares for the year ended 30 June 2017 at the rate of 10%	28,989	-	-	-	-	(28,989)	(28,989)	-
Final dividend for the year ended 30 June 2017 at the rate of Rs. 3 per share	-	-	-	-	-	(86,968)	(86,968)	(86,968)
Balance as on 31 December 2017	318,881	29,000	(12,698)	16,302	3,714,000	1,071,885	4,785,885	5,121,068
Balance as on 01 July 2018	318,881	29,000	41,976	70,976	3,714,000	1,516,342	5,230,342	5,620,199
Net profit for the period from 01 July 2018 to 31 December 2018	-	-	-	-	-	186,059	186,059	186,059
Other comprehensive (loss)	-	-	(59,982)	(59,982)	-	-	-	(59,982)
Total comprehensive (loss) for the period	-	-	(59,982)	(59,982)	-	186,059	186,059	126,077
Issue of bonus shares for the year ended 30 June 2018 at the rate of 15%	47,832	-	-	-	-	(47,832)	(47,832)	-
Final dividend for the year ended 30 June 2018 at the rate of Rs. 4 per share	-	-	-	-	-	(127,552)	(127,552)	(127,552)
Balance as on 31 December 2018	366,713	29,000	(18,006)	10,994	3,714,000	1,527,017	5,241,017	5,618,724

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

Selected Notes To The Interim Financial Information (Un-Audited) For The Half Year Ended December 31, 2018

1. THE COMPANY AND ITS ACTIVITIES

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. The Company is engaged in the manufacturing, sale and trading of yarn, cloth and processing of cloth. Registered Head Office of the Company is situated at 7-B-III, Aziz Avenue, Gulberg-V, Lahore.

The Company is currently operating the following four business units:

- One spinning unit located at Karachi - Hyderabad Motorway, Noori Abad, Jamshoro, Sindh.
- One spinning unit located at 4-KM. Raiwind Manga Road, Raiwind, Punjab.
- One spinning unit & one weaving unit, both located at Shahkot, Punjab.

2. STATEMENT OF COMPLIANCE

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.

3. BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

3.1 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 30 June 2018.

3.2 The accounting policies and method of computation adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2018, except for the adoption of new standards effective as of 1 July 2018 as notified by Security and Exchange Commission of Pakistan (SECP). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Company applies, for the first time, IFRS 15 Revenue from Contracts with Customers. As required by IAS 34, the nature and effect of these changes are disclosed below.

3.2.1 IFRS 15: Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires companies to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company is in the business of selling yarn and grieg fabric locally and also in the international markets. Yarn and grieg fabric are sold both on their own in separately identified contracts with customers and together as a bundled package of goods.

Selected Notes To The Interim Financial Information (Un-Audited)
For The Half Year Ended December 31, 2018

a) Sales of goods:

The Company's contracts with customers for the sale of goods generally include one performance obligation. The management has concluded that revenue from sale of goods should be recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the recognition of local and export sales.

b) Presentation and disclosure requirements

As required for the interim financial statements, the Company disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. (Refer to Note 15)

3.2.2 Standards, Interpretations and Amendments to Approved Accounting Standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 16 – Leases	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	01 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	01 January 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	01 January 2019
IAS 1 and 8 Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material, to clarify the definition of material and its alignment with the definition used in the Conceptual Framework (Amendments)	01 January 2019
	(Annual periods ending on or after)
IFRS 9 – Financial Instruments*	30 June 2019

* The SECP has modified the effective date of application of IFRS 9 in place of IAS 39, through SRO. 229 (I)/2019, dated: 14 February, 2019, as reporting period / year ending on or after June 30, 2019.

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

For The Half Year Ended December 31, 2018

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application. However, for IFRS 9 Company's exception is based on an initial assessment made by the management.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	IASB effective date (Annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 17 – Insurance Contracts	01 January 2021

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of the estimation are the same as those that applied to the financial statements for the year ended 30 June 2018.

	Un-Audited Dec 31, 2018	Audited June 30, 2018
	(Rupees in thousand)	

5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-Audited Dec 31, 2018	Audited June 30, 2018		Un-Audited Dec 31, 2018	Audited Dec 31, 2017
(No. of Shares)			(Rupees in thousand)	
17,400,000	17,400,000	Ordinary shares of Rupees 10 each fully paid up in cash	174,000	174,000
19,271,313	14,488,080	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	192,713	144,881
36,671,313	31,888,080		366,713	318,881

6 LONG TERM FINANCING - SECURED

Opening balance	2,925,708	2,370,242
Obtained during the period	-	555,466
Repaid during the period	(31,556)	-
	2,894,152	2,925,708
Less: Current portion	154,999	39,880
	2,739,153	2,885,828

Selected Notes To The Interim Financial Information (Un-Audited)
For The Half Year Ended December 31, 2018

	Un-Audited	Audited	
	Dec 31,	Dec 31,	
	2018	2017	
	(Rupees in thousand)		
7 TRADE AND OTHER PAYABLES			
Creditors	637,042	451,170	
Accrued liabilities	1,204,315	1,067,574	
Payable to employees' provident fund trust	39	164	
Workers welfare fund	6,886	-	
Workers' profit participation fund	21,446	22,421	
Income tax deducted at source	2,392	3,010	
Accrued markup	38,526	36,749	
	1,910,646	1,581,088	
8 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	154,999	39,880	
Liabilities against assets subject to finance lease	259	828	
	155,258	40,708	
9 CONTINGENCIES AND COMMITMENTS			
CONTINGENCIES			
- There has been no significant change in the contingencies since the date of preceding published annual financial statements.			
COMMITMENTS			
- As at the balance sheet date, the commitments in respect of capital expenditure amounted to Rs. 160,840 thousand (30 June 2018: Rs.31,183 thousand).			
10 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	10.1	5,102,530	5,318,000
Assets subject to finance lease	10.2	1,941	2,157
Capital work-in-progress		227,615	163,195
		5,332,086	5,483,352
10.1 OPERATING FIXED ASSETS - TANGIBLE			
Opening book value		5,318,000	2,441,092
Add: Additions during the period / year -cost	10.1.1	33,634	3,363,939
		5,351,634	5,805,031
Less: Deletions during the period / year		1,566	81,066
		5,350,068	5,723,965
Less: Depreciation during the period / year		247,538	405,965
Book value at the end of the period / year		5,102,530	5,318,000
10.1.1 ADDITIONS DURING THE PERIOD / YEAR - COST			
Factory building		-	425,520
Residential building		-	81,418
Plant and machinery	28,454		2,759,465
Electric installations	-		73,002
Office equipment	-		2,191
Vehicles	5,180		22,343
		33,634	3,363,939
10.2 ASSETS SUBJECT TO FINANCE LEASE			
Opening book value		2,157	3,290
Add: Additions during the period / year -cost		-	554
Less: Depreciation during the period / year		216	579
Book value at the end of the period / year		1,941	2,157

Selected Notes To The Interim Financial Information (Un-Audited)
For The Half Year Ended December 31, 2018

	Un-Audited Dec 31, 2018	Audited Dec 31, 2017
(Rupees in thousand)		
11 STORE , SPARE PARTS AND LOOSE TOOLS		
Stores in transit	5,890	7,747
Stores	194,748	
Spares parts	12,412	10,309
Loose tools	299	249
	210,895	213,053
Less : Provision for slow moving / obsolete items	30,491	30,491
	180,404	182,562
12 STOCK IN TRADE		
Raw material	1,808,879	1,818,001
Raw material in transit	36,668	33,772
Work in process	164,082	148,646
Finished goods	882,875	682,551
Waste	14,579	31,796
	2,907,083	2,714,766
13 TRADE DEBTS		
Considered good:		
Secured against letters of credit	32,928	10,977
Unsecured	673,824	721,239
	706,752	732,216
Considered doubtful - unsecured	29,599	29,599
Less: Provision for doubtful debts	(29,599)	(29,599)
	-	-
	706,752	732,216
14 LOANS AND ADVANCES		
Considered good:		
Loans to employees	6,040	5,026
Advances to suppliers	70,096	67,414
Due from related parties - unsecured	21,730	18,480
Advance against letter of credit	13,700	12,354
	111,566	103,274
15 SHORT TERM INVESTMENTS		
Available for sale	15.1	932,014
		1,052,384
		932,014
15.1 AVAILABLE FOR SALE		
Related party - unquoted	2,200	2,200
Related party - quoted	49,999	49,999
Other - quoted	1,234,532	1,198,857
	1,286,731	1,251,056
Unrealized gain on revaluation of investment - net	(18,006)	41,976
Impairment (loss)	(336,711)	(240,648)
	932,014	1,052,384

Selected Notes To The Interim Financial Information (Un-Audited)
For The Half Year Ended December 31, 2018

	Un-Audited					
	Half year ended Dec 31, 2018			Half year ended Dec 31, 2017		
	Spinning	Weaving	Total	Spinning	Weaving	Total
	(Rupees in thousands)					
16 SALES						
Local	5,306,387	2,271,533	7,577,920	3,679,426	1,539,294	5,218,720
Export	37,903	190,802	228,705	39,546	288,736	328,282
Inter Segments	(1,068,751)	-	(1,068,751)	(665,551)	-	(665,551)
	4,275,539	2,462,335	6,737,873	3,053,421	1,828,030	4,881,451
16.1 Disaggregation of the Company's revenue from contracts with customer is as follows.						
Segments						
Sale of yarn	4,999,300	-	4,999,300	3,543,338	-	3,543,338
Sale of fabric	-	2,446,096	2,446,096	-	1,815,000	1,815,000
Sale of waste	344,990	16,238	361,228	175,634	13,030	188,664
Inter-segment eliminations	(1,068,751)	-	(1,068,751)	(665,551)	-	(665,551)
Total revenue from contracts with customers	4,275,539	2,462,334	6,737,873	3,053,421	1,828,030	4,881,451
Geographic markets						
Pakistan	5,306,387	2,271,533	7,577,920	3,679,426	1,539,294	5,218,720
Bangladesh	-	-	-	-	27,048	27,048
Germany	-	-	-	-	2,630	2,630
Hong Kong	-	110,546	110,546	-	146,828	146,828
Italy	-	36,573	36,573	-	48,329	48,329
Portugal	-	-	-	-	3,448	3,448
Spain	-	-	-	-	49,504	49,504
Sri Lanka	1,704	-	1,704	1,252	-	1,252
Switzerland	-	-	-	-	2,455	2,455
South Korea	-	25,972	25,972	9,908	1,715	11,623
Turkey	-	17,711	17,711	-	297	297
UAE	36,199	-	36,199	28,386	-	28,386
United Kingdom	-	-	-	-	6,482	6,482
Turkey	-	-	-	-	-	-
Inter-segment eliminations	(1,068,751)	-	(1,068,751)	(665,551)	-	(665,551)
Total revenue from contracts with customers	4,275,539	2,462,334	6,737,873	3,053,421	1,828,030	4,881,451
Timing of revenue recognition						
Goods transferred at a point in time	4,275,539	2,462,334	6,737,873	3,053,421	1,828,030	4,881,451
Total revenue from contracts with customers	4,275,539	2,462,334	6,737,873	3,053,421	1,828,030	4,881,451

Selected Notes To The Interim Financial Information (Un-Audited)
For The Half Year Ended December 31, 2018

	Un-Audited			
	Half year ended		Quarter ended	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
	(Rupees in thousand)			
17 COST OF SALES				
Raw material consumed	4,609,601	3,176,169	2,227,396	1,703,038
Sizing expenses	31,513	27,527	15,769	13,777
Stores, spares and loose tools consumed	102,608	102,933	57,736	44,777
Packing materials	71,994	53,119	39,206	31,681
Salaries, wages and other benefits	432,057	373,446	210,403	182,642
Fuel and power	777,280	579,343	376,747	327,174
Repairs and maintenance	14,249	18,462	7,196	7,026
Insurance	14,787	13,241	7,610	6,727
Depreciation	239,638	152,040	120,027	104,586
Other factory overheads	10,237	8,486	5,404	3,517
	6,303,965	4,504,766	3,067,494	2,424,945
Work-in-process:				
Opening stock	148,646	104,445	162,354	119,297
Closing stock	(164,082)	(121,214)	(164,082)	(121,214)
	(15,436)	(16,769)	(1,728)	(1,917)
Cost of goods manufactured	6,288,529	4,487,997	3,065,766	2,423,028
Finished goods:				
Opening stock	714,347	715,798	1,169,660	753,252
Closing stock	(897,454)	(695,326)	(897,454)	(695,326)
	(183,107)	20,472	272,206	57,926
	6,105,422	4,508,469	3,337,972	2,480,954
18 DISTRIBUTION COST				
Salaries, wages and other benefits	2,227	1,362	1,315	620
Commission on sales	37,898	45,058	19,148	27,069
Freight and shipment	13,032	13,563	7,113	7,809
Clearing and forwarding	2,725	9,977	(1,912)	5,865
Export development surcharge	573	834	410	509
	56,455	70,794	26,074	41,872
19 ADMINISTRATIVE EXPENSES				
Salaries, wages and other benefits	47,824	43,643	24,409	22,356
Rent, rates and taxes	3,233	3,120	1,467	1,702
Electricity and gas	2,843	2,198	1,192	931
Traveling and conveyance	2,580	3,108	699	480
Repair and maintenance	3,717	1,622	2,329	756
Vehicle running and maintenance	3,236	2,792	1,816	1,563
Printing and stationery	3,787	1,557	1,594	1,110
Communication	1,148	1,160	817	680
Fee and subscription	2,196	1,613	1,533	1,017
Advertisement	296	15	47	15
Insurance	1,101	1,253	555	629
Depreciation	8,115	8,063	4,115	4,236
Entertainment	32	79	9	-
Research and Development	-	95	-	-
Donation	-	500	-	-
	80,108	70,817	40,582	35,475

Selected Notes To The Interim Financial Information (Un-Audited)
For The Half Year Ended December 31, 2018

	Un-Audited			
	Half year ended		Quarter ended	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
	(Rupees in thousand)			
20 OTHER OPERATING EXPENSES				
Workers profit participation fund	18,122	6,569	10,579	5,436
Workers' welfare fund	6,886	-	6,886	-
Loss on short term investment	14,666	283		
Impairment loss on short term investment	96,063	72,864	25,149	72,865
Loss on disposal of short term investments Others	2,718	2,717	1,399	1,616
	123,789	96,816	44,013	80,200
21 OTHER INCOME				
Income from financial assets	45,568	36,669	40,814	35,599
Income from assets other than financial assets	7,004	7,899	4,869	4,532
	52,572	44,568	45,683	40,131
Income from financial assets				
Exchange gain / (loss)	3,057	62	1,835	62
Profit on bank deposits	2,202	831	1,841	461
Dividend income	38,757	31,318	36,555	30,618
Net gain on short term investment	1,551	4,458	583	4,458
	45,568	36,669	40,814	35,599
Income from assets other than financial assets				
Sale of empties and scrap	3,140	4,272	1,984	2,892
Gain on disposal of operating fixed assets	3,864	3,627	2,885	1,640
	7,004	7,899	4,869	4,532
22 FINANCE COST				
Interest / mark-up on:				
Long term financing	54,834	35,832	29,160	13,855
Short term borrowings	28,364	14,384	17,694	8,226
Liabilities against assets subject to finance lease	26	76	9	39
	83,224	50,292	46,863	22,120
Bank charges and commission	4,012	4,026	2,318	2,145
	87,237	54,318	49,182	24,265
23 TAXATION				
Current income tax	-	3,801	-	3,088
Deferred income tax	151,375	-	151,375	-
	151,375	3,801	151,375	3,088

23.1 This is net off income tax credit under Section 65B of the Income Tax Ordinance, 2001 amounting to Rs. 133,156 thousand (30 June 2018: Rs. 130,311 thousand).

Selected Notes To The Interim Financial Information (Un-Audited) For The Half Year Ended December 31, 2018

24. OPERATING SEGMENT INFORMATION

The textile sector comprises of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s). This sector also includes power generation facilities which provide electricity for internal consumption purposes.

24.1 BUSINESS SEGMENTS

For management purposes, Suraj Cotton Mills Limited is organized into business units based on their products and services and has two reportable operating segments as follows:

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

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

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

	Spinning			Weaving			Elimination of Inter-segment Transactions			Total
	Un-Audited			Un-Audited			Un-Audited			
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017		
	(Rupees in thousands)									
SALES										
External	4,275,589	3,053,421	2,462,334	1,828,030	-	-	6,737,873	4,881,451		
Inter-segment	1,068,751	665,551	-	-	1,068,751	665,551	-	-		
	5,344,290	3,718,972	2,462,334	1,828,030	1,068,751	665,551	6,737,873	4,881,451		
COST OF SALES										
External	4,834,010	3,412,471	1,271,412	1,095,998	-	-	6,105,422	4,508,469		
Inter-segment	-	-	1,068,751	665,551	1,068,751	665,551	-	-		
	4,834,010	3,412,471	2,340,163	1,761,549	1,068,751	665,551	6,105,422	4,508,469		
Gross profit	510,280	306,501	122,171	66,481	-	-	632,451	372,982		
Distribution cost	30,708	36,328	25,747	34,466	-	-	56,455	70,794		
Administrative expenses	60,392	55,884	19,714	14,933	-	-	80,106	70,817		
	91,100	92,212	45,461	49,399	-	-	136,561	141,611		
Profit before taxation and unallocated income and expenses	419,180	214,289	76,710	17,082	-	-	495,890	231,371		
Unallocated income and expenses:										
Other operating expenses							(123,789)	(96,816)		
Other operating income / (loss)							52,572	44,568		
Finance cost							(87,237)	(54,318)		
							(158,454)	(106,566)		
Profit before taxation							337,436	124,805		
Taxation							151,375	3,801		
Profit for the period							186,059	121,004		

Inter segment sales and purchases have been eliminated on consolidation.

Selected Notes To The Interim Financial Information (Un-Audited)
For The Half Year Ended December 31, 2018

25 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise associated companies, associates, companies in which Directors are interested, staff retirement funds, Directors and key management personnel. Details of related parties (with whom the Company has transacted) along with basis of relationship and transaction with related parties, other than those which have been disclosed else where in these financial statements are as follows:

Relationship with the Company	Percentage of shareholding	Nature of transactions	Un-Audited	
			Half Year Ended	
			Dec 31, 2018	Dec 31, 2017

(Rupees in thousand)

Associated Companies due to significant influence

The Crescent Powertech Limited	Share holding in Company 44.20% (2018: 44.20%)	Purchase of electricity	5,518	17,695
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Associated Companies due to common directorship

ACME Mills (Pvt) Limited		Sale of goods	6,455	14,788
Premier Insurance Limited		Services received	32,518	33,073
The Crescent Textile Mills Ltd		Sale of goods	54,141	2,382
		Purchase of goods	85,992	15,026
Crescent Fibers Limited		Purchase of goods	55,795	39,417
Other related party				
Employees Provident Fund Trust		Amount contributed	10,266	8,594
Key management personnel		Remuneration	19,203	17,358

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

The outstanding balances of such parties are as under:

Associated Companies due to significant influence

Relationship with the Company	Percentage of shareholding	Nature of transactions	Un-Audited	Audited
			Dec 31, 2018	June 30, 2018

(Rupees in thousand)

The Crescent Powertech Limited	Share holding in Company 44.20% (2018: 44.20%)	Trade creditors	5,630	1,139
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Associated Companies due to common directorship

Premier Insurance Limited		Payable against services	14,131	18,694
The Crescent Textile Mills Ltd		Trade debtors	8,892	1,484
S2 Hydro Limited		Advances	17,972	14,717
S2 Solar Limited		Advances	2,997	2,997
S2 Power Limited		Advances	761	754
Crescent Fibers Limited		Trade creditors	9,173	2,536
Others				
Employees provident fund trust		Provident fund payable	39	164

Selected Notes To The Interim Financial Information (Un-Audited) For The Half Year Ended December 31, 2018

26 FINANCIAL RISK MANAGEMENT

26.1 Financial risk of factors

Financial instruments comprise long term financing, liabilities against assets subject to finance lease, trade and other payables, accrued interest on financing, short term borrowings, investment in joint venture, long term deposits, trade debts, loans to employees, trade deposits, other receivables, available for sale investments, held for trading investments and cash and bank balances,

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The Board of Directors has the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Company's activities.

26.2 Fair values of financial assets and liabilities

Fair value of financial assets classified as available for sale investments is derived from quoted market prices in active markets, if available. Fair value of unquoted equity instruments financial assets is estimated using appropriate valuation techniques. The carrying values of other financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2018, the Company hold the following financial instruments carried at fair value on the statement of financial position:

	Dec 31, 2018	Level 1	Level 2	Level 3
	(Rupees in thousands)			
Assets measured at fair value				
Available for sale financial assets				
Equity shares	932,014	932,014		
There were no other financial liabilities measured at fair value as at 31 December 2018.				
During the six month period ended 31 December 2018, there were no transfers between Level 1 and Level 2 fair value measurements.				
* The Company carries unquoted equity shares in Crescent Spinning Mills Limited, Premier Financial Services (Private) Limited as fair value through OCI financial instruments classified as Level 1 within the fair value hierarchy. The investment in Crescent Spinning Mills Limited, Premier Financial Services (Private) Limited have been fully impaired and are carried at nil value.				
	June 30, 2018	Level 1	Level 2	Level 3
	(Rupees in thousands)			
Assets measured at fair value				
Available for sale financial assets				
Equity shares	1,052,384	1,052,384		
There were no financial liabilities measured at fair value as at 30 June 2018.				
During the reporting year the equity shares Glaxo Smith Kline Consumer Healthcare Pakistan Limited has been listed on Pakistan stock exchange and these are reclassified from level 3 investments to level 1 investments.				
* The Company carries unquoted equity shares in Crescent Spinning Mills Limited and Premier Financial Services (Private). The investment in Crescent Spinning Mills Limited and Premier Financial Services (Private) Limited have been fully impaired and are carried at nil value. The Company did not incur any gain or loss recorded in the statement of profit or loss and statement of other comprehensive income as the impairment had been recorded prior to 01 July 2011.				

Selected Notes To The Interim Financial Information (Un-Audited)
For The Half Year Ended December 31, 2018

26.3 Financial instruments by categories

	Dec 31, 2018			
	Cash and cash equivalents	Loan and advances	Available for sale	Total
	(Rupees in thousand)			
Financial assets as per balance sheet				
Long term deposits	-	19,879	-	19,879
Trade debts	-	706,752	-	706,752
Loans to employees	-	6,040	-	6,040
Trade deposits	-	6,664	-	6,664
Short term investments	-	-	932,014	932,014
Other receivables	-	13,112	-	13,112
Cash and bank balances	286,189	-	-	286,189
Total	286,189	752,447	932,014	1,970,650
Total current				1,950,771
Total non current				19,879
Total				1,970,650
				Dec 31, 2018
				Financial Liabilities at amortized cost
				(rs. in 000's)
Financial liabilities as per balance sheet				
Long term financing				2,894,152
Liabilities against assets subject to finance lease				259
Trade and other payables				1,796,770
Accrued interest on financing				38,526
Short term borrowings				671,907
Total				5,401,614
Total current				2,507,462
Total non current				2,894,152
Total				5,401,614
June 30, 2018				
	Cash and cash equivalents	Loan and advances	Available for sale	Total
(Rupees in thousand)				
Financial assets as per balance sheet				
Long term deposits	-	19,879	-	19,879
Trade debts	-	732,216	-	732,216
Loans to employees	-	5,026	-	5,026
Trade deposits	-	6,555	-	6,555
Short term investments	-	-	1,052,384	1,052,384
Other receivables	-	31,511	-	31,511
Cash and bank balances	64,827	-	-	64,827
Total	64,827	795,187	1,052,384	1,912,398
Total current				1,892,519
Total non current				19,879
Total				1,912,398

Selected Notes To The Interim Financial Information (Un-Audited) For The Half Year Ended December 31, 2018

	June 30, 2018 Financial Liabilities at amortized cost (rs. in 000's)
Financial liabilities as per balance sheet	
Long term financing	2,925,708
Liabilities against assets subject to finance lease	828
Trade and other payables	1,518,744
Accrued interest on financing	36,750
Short term borrowings	993,116
Total	5,475,146
Total current	2,549,438
Total non current	2,925,708
Total	5,475,146

26.4 Fair values

Set out below is a comparison of the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2018 and 30 June 2018.

	Dec 31, 2018 Carrying Amount	Dec 31, 2018 Fair Value	June 30, 2018 Carrying Amount	June 30, 2018 Fair Value
Financial Assets				
Long term deposits	19,879	19,879	19,879	19,879
Trade debts	706,752	706,752	732,216	732,216
Loans to employees	6,040	6,040	5,026	5,026
Trade deposits	6,664	6,664	6,555	6,555
Short term investments	932,014	932,014	1,052,384	1,052,384
Other receivables	13,112	13,112	31,511	31,511
Cash and bank balances	286,189	286,189	64,827	64,827
Total	1,970,650	1,970,650	1,912,398	1,912,398

There were no financial liabilities measured at fair value as at 31 December 2018 and 30 June 2018.

27 DATE OF AUTHORIZATION

These condensed interim financial statements was authorized for issue by the Board of Directors of the Company on _____.

28 GENERAL

28.1 Provisions in respect of Worker's Welfare Fund, Worker's Profit Participation Fund and taxation are estimated and these are subject to final adjustment in the annual financial statements.

28.2 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



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