

# **ELAHI COTTON MILLS LIMITED**

**1st QUARTER ACCOUNTS**

**30-Sep-21**

**(UN-AUDITED)**



**Elahi Cotton Mills Limited**  
**270, Sector I-9, Industrial Area, Islamabad (Pakistan)**  
**Phone : (051) 4433451-3, Fax : (051) 4431072**  
**www.elahicotton.com, E-mail: elahicotton@gmail.com**

# ELAHI COTTON MILLS LIMITED

## COMPANY INFORMATION

### BOARD OF DIRECTORS:

MR. MAHFOOZ ELAHI (CHIEF EXECUTIVE)  
MR. MAHBOOB ELAHI (CHAIRMAN)  
MR. MAHMOOD ELAHI  
MR. AHMED SHAFFI  
SHEIKH FARRUKH AHMED  
MR. MUHAMMAD AZEEM AFZAL HASHMI  
MRS. SAMINA BEGUM

### AUDITORS:

M/S. BDO IBRAHIM & COMPANY,  
Chartered Accountants  
22, East Saeed Plaza,  
Blue Area, Islamabad.

**CHIEF FINANCIAL OFFICER: MR. MUHAMMAD IMTIAZ**

**COMPANY SECRETARY: MR. SALEEM AHMED**

### REGISTERED OFFICE:

270-Sector I/9, Industrial Area, Islamabad.

### SHARE REGISTRAR:

CORPLINK (PVT) LIMITED, Wings Arcade,  
1-K Commercial, Model Town, Lahore.

### LEGAL ADVISER:

KHAN & PIRACHA  
No.1, 2nd FLOOR, 6-B,  
MARKAZ F-6, ISLAMABAD.

### MILLS:

JURIAN, MANDRA, TEHSIL GUJAR KHAN,  
DISTRICT RAWALPINDI.

Email: [elahicotton@gmail.com](mailto:elahicotton@gmail.com)

**WEBSITE** [www.elahicotton.com](http://www.elahicotton.com)

## ELAHI COTTON MILLS LIMITED

### DIRECTORS' REVIEW TO THE MEMBERS

The Directors of your Company are presenting you the unaudited condensed interim financial statements for the 1<sup>st</sup> quarter ended on September 30, 2021.

The principal business of the Company is to manufacture and sale of pure polyester yarn. The Company registered a turnover of Rs. 160.097 million for the quarter ended September 30, 2021 as compared to Rs. 121.982 million for the quarter ended September 30, 2020 showing increase of Rs. 38.115 million (31.25%) whereas the cost of sales increased from Rs. 113.041 million to Rs. 153.816 million showing increase of Rs. 40.775 million (36.07%). The Company earned profit before taxation of Rs. 3.279 million for the quarter ended September 30, 2021 as compared to profit of Rs. 6.758 million for the quarter ended September 30, 2020 and profit after tax of Rs. 1.460 million as compared to profit of Rs. 4.798 million. The decrease in profitability is due to increase in salary & wages, prices of raw material, electricity and stores & spares. We foresee that the next quarter to be an uncertain due to increasing trend in the prices of raw material, increase in electric tariff and increase in the rate of dollar as the price of electricity is linked with the dollar rate.

The earning per share for the quarter ended September 30, 2021 is Rs. 1.12. The Directors of the Company do not recommend payment of any cash dividend/bonus shares to shareholders of the Company.

October 27, 2021

  
(Mahfooz Elahi)  
Chief Executive

  
(Mahmood Elahi)  
Director

الہی کاٹن ملز لمیٹڈ  
ممبران کے لئے ڈائریکٹرز کا جائزہ

کمپنی کے ڈائریکٹرز پہلی سہ ماہی ختم شدہ ۳۰ ستمبر ۲۰۲۱ء کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہیں۔


کمپنی کا بنیادی کام خالص پولیسٹروہاگہ بنانا اور فروخت کرنا ہے۔ کمپنی نے اس سہ ماہی ختم شدہ ۳۰ ستمبر ۲۰۲۱ء میں 160.097 ملین روپے کا کاروبار کیا جبکہ گزشتہ سہ ماہی ختم شدہ ۳۰ ستمبر ۲۰۲۰ء میں 121.982 ملین روپے تھا جو کہ 38.115 ملین روپے (31.25%) اضافہ ظاہر کر رہا ہے جبکہ فروخت کے اخراجات 113.041 ملین روپے سے بڑھ کر 153.816 ملین روپے ہو گئے ہیں جو کہ 40.775 ملین روپے (36.07%) کا اضافہ ظاہر کر رہے ہیں۔ کمپنی نے اس سہ ماہی ختم شدہ ۳۰ ستمبر ۲۰۲۱ء میں قبل از ادائیگی ٹیکس 3.279 ملین روپے منافع کمایا ہے جو کہ اس کے مقابل گزشتہ سال اسی دورانیہ میں 6.758 ملین روپے تھا اور بعد از ادائیگی ٹیکس 4.798 ملین روپے کے منافع کے مقابل 1.460 ملین روپے منافع کمایا۔ موجودہ سال منافع میں کمی کی وجہ تنخواہ اور اجرت میں اضافہ، خام مال، بجلی، اسٹور اور پیکنگ کی قیمتوں میں اضافہ ہے۔ ہم اگلی سہ ماہی میں کاروبار کی غیر یقینی صورت حال دیکھ رہے ہیں کیونکہ آنے والے وقت میں خام مال کی قیمتوں میں اضافہ، بجلی کی قیمت کے ٹیرف جو کہ ڈالر کی قیمت سے منسلک ہے، میں اضافے کا رجحان ہے۔

اس سہ ماہی ختم شدہ ۳۰ ستمبر ۲۰۲۱ء میں کمپنی کافی حصص منافع 1.12 روپے ہوا۔ ڈائریکٹرز حصص داران کو کسی نقد منافع رولنس حصص کی سفارش نہیں کرتے۔

بورڈ آف ڈائریکٹرز کی جانب سے

اسلام آباد  
۲۷ اکتوبر، ۲۰۲۱ء

  
محمود الہی  
ڈائریکٹر

  
محفوظ الہی  
چیف ایگزیکٹو

**ELAHI COTTON MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2021**

	30.09.2021 Rupees	30.06.2021 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	125,640,066	126,598,189
Operating fixed assets	918,810	918,810
Long term security deposits	3,092,000	2,758,500
Loans and advances		
	<u>129,650,876</u>	<u>130,275,499</u>
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	2,166,559	2,018,079
Stock in trade	25,270,519	25,683,867
Trade debts	17,114,006	2,433,822
Loans and advances	324,919	301,923
Short term prepayments	333,665	333,665
Tax refund due from government	-	1,210,841
Taxation -net	-	84,409
Cash and bank balances	11,574,671	14,485,515
	<u>56,784,339</u>	<u>46,552,121</u>
<b>TOTAL ASSETS</b>	<u><b>186,435,215</b></u>	<u><b>176,827,620</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital	13,000,000	13,000,000
Revaluation surplus on property, plant & equipment	103,918,372	104,345,432
Accumulated loss	(50,161,013)	(52,048,073)
	<u>66,757,359</u>	<u>65,297,359</u>
<b>NON CURRENT LIABILITIES</b>		
Deferred liabilities	25,787,079	25,351,398
Long term loan from Directors	-	-
	<u>25,787,079</u>	<u>25,351,398</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	21,300,549	13,856,646
Due to Associated Undertaking	-	-
Current portion of long term loan from Directors	62,954,546	62,954,546
Short term loan from Directors	9,100,000	9,100,000
Taxation - net	268,011	-
Dividend payable/Unclaimed	267,671	267,671
	<u>93,890,777</u>	<u>86,178,863</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>186,435,215</b></u>	<u><b>176,827,620</b></u>

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**ELAHI COTTON MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2021**

	<u>30.09.2021</u>	<u>30.09.2020</u>
	<u>Rupees</u>	<u>Rupees</u>
<b>Sales</b>	160,097,003	121,981,813
<b>Cost of sales</b>	<u>(153,815,925)</u>	<u>(113,041,012)</u>
<b>Gross profit</b>	6,281,078	8,940,801
<b>Operating expenses</b>		
Administrative expenses	(2,660,322)	(2,087,354)
Selling and distribution expenses	(220,500)	(102,145)
Other operating charges	(122,507)	(102,145)
	<u>(3,003,329)</u>	<u>(2,189,499)</u>
<b>Operating profit</b>	3,277,749	6,751,302
Other income	4,209	7,006
Financial charges	<u>(2,610)</u>	<u>(90)</u>
<b>Profit before taxation</b>	3,279,348	6,758,218
Taxation	<u>(1,819,351)</u>	<u>(1,959,885)</u>
<b>Profit after taxation</b>	<u>1,459,998</u>	<u>4,798,334</u>
<b>Earning per share -basic and diluted</b>	<u>1.12</u>	<u>3.69</u>

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**ELAHI COTTON MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPEHENSIVE INCOME**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2021**

	<u>30.09.2021</u> Rupees	<u>30.09.2020</u> Rupees
Profit for the quarter ended September 30, 2021	1,459,998	4,798,334
Other comprehensive income	-	-
Total comprehensive income for the quarter ended September 30, 2021	<u>1,459,998</u>	<u>4,798,334</u>

  
CHIEF EXECUTIVE

Mahmood Elahi  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



**ELAHI COTTON MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**SEPTEMBER 30, 2021**

	Share Capital	Reserve		Total
		Capital	Revenue	
	Issued, subscribed and paid-up capital	Revaluation surplus on property, Plant and equipment	Accumulated Loss	
	Rupees			
Balance as at July 01, 2020	13,000,000	106,235,835	(58,480,232)	60,755,603
Total comprehensive income for the quarter ended September 30, 2020			4,798,334	4,798,334
Surplus on revaluation of fixed assets - incremental depreciation - net of deferred tax		(472,601)	472,601	-
Balance as at September 30, 2020	13,000,000	105,763,234	(53,209,297)	65,553,937
<b>Balance as at July 01, 2021</b>	13,000,000	104,345,432	(52,048,071)	65,297,361
Total comprehensive income for the quarter ended September 30, 2021	-	-	1,459,998	1,459,998
Surplus on revaluation of fixed assets - incremental depreciation - net of deferred tax		(427,060)	427,060	-
Balance as at September 30, 2021	13,000,000	103,918,372	(50,161,013)	66,757,359

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**ELAHI COTTON MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**SEPTEMBER 30, 2021**

	<b>For the 1st Qtr ended September 30, 2021 Rupees</b>	<b>For the 1st Qtr ended September 30, 2020 Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,279,348	6,758,218
Adjustment for:		
Depreciation	958,122	939,012
Financial charges	2,610	90
Provision for gratuity	1,216,443	1,206,383
	<u>2,177,175</u>	<u>2,145,485</u>
<b>Profit before working capital changes</b>	<b>5,456,523</b>	<b>8,903,703</b>
<b>Changes in working capital:</b>		
Decrease/(increase) in current assets		
Store and spares	(148,480)	139,146
Stock in trade	413,348	(2,507,339)
Trade debts	(14,680,184)	(5,505,075)
Advances	(22,996)	(878,768)
Short term prepayments	-	-
Other receivables	1,210,841	-
Increase/(decrease) in current liabilities		
Trade and other payables	7,443,904	3,835,196
	<u>(5,783,567)</u>	<u>(4,916,840)</u>
<b>Cash (used in) / generated from operations</b>	<b>(327,044)</b>	<b>3,986,863</b>
Financial charges paid/adjusted	(2,610)	(90)
Income tax paid/adjusted	(1,648,790)	(1,511,483)
Gratuity paid	(598,900)	(779,350)
	<u>(2,250,300)</u>	<u>(2,290,923)</u>
<b>Net cash (used in)/ generated from operating activities</b>	<b>(2,577,344)</b>	<b>1,695,940</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan and Advances to Employees	(333,500)	(205,250)
Purchase of fixed assets	-	(232,558)
<b>Net cash (used in)/generated from investing activities</b>	<b>(333,500)</b>	<b>(437,808)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan received from/(paid to) Directors	-	(210,000)
Loan received from/(paid to) Associated Undertaking	-	(1,350,000)
<b>Net cash generated from/(used in) financing activities</b>	<b>-</b>	<b>(1,560,000)</b>
Net decrease in cash and cash equivalents	(2,910,844)	(301,868)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>14,485,515</b>	<b>30,519,406</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11,574,671</b>	<b>30,217,538</b>

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**ELAHI COTTON MILLS LIMITED**  
**CONDENSED INTERIM NOTES TO THE ACCOUNTS**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2021**

1. The Company was incorporated as a public limited company on June 22, 1970 and is listed on Pakistan Stock Exchange ( Formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged).The registered office of the Company is situated at 270, sector I-9, Industrial Area, Islamabad. The principal business of the Company is manufacture and sale of yarn.
2. This condensed interim financial information of the Company has been prepared in accordance with the requirements of international accounting standard 34-“Interim Financial Reporting” and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.
3. The disclosures in the condensed interim financial information do not include all the information and disclosures as required for full annual financial statements. It should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2021.
4. This condensed interim financial information has been prepared under the historical cost convention, except for certain fixed assets which have been stated at revalued amount and the recognition of certain staff retirement benefits at present value. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow.
5. The significant accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in preparing the annual accounts for the year ended June 30, 2021.
6. Figures have been rounded off to the nearest rupee.
7. Figures have been rearranged wherever necessary for the purpose of comparison.
8. This condensed interim financial information was authorized for issue on 27.09.2021 by the Board of Directors of the Company.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**