

ELAHI COTTON MILLS LIMITED

3RD QUARTER ACCOUNTS

31-Mar-19

(UN-AUDITED)



Elahi Cotton Mills Limited
270, Sector I-9, Industrial Area, Islamabad (Pakistan)
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ELAHI COTTON MILLS LIMITED


DIRECTORS' REVIEW TO THE MEMBERS

The Directors of the Company are pleased to present unaudited condensed interim financial statements for the nine months ended March 31, 2019.

The principal business activity of the Company is to manufacture and sale of Pure Polyester Yarn. Aggregate sales revenue of the Company increased from Rs. 289.763 million to Rs. 371.001 million showing increase of Rs. 81.238 million (28.03%) whereas cost of sales increased from Rs. 278.955 million to Rs. 360.885 million showing increase of Rs. 81.93 million (29.37%). The Company earned profit before taxation of Rs. 5.398 million for the nine months from July 01, 2018 to March 31, 2019 as compared to profit of Rs. 6.233 million for the corresponding period of last nine months and profit after taxation of Rs. 1.657 million as compared to profit of Rs. 3.753 million. The decrease in profitability of the Company as compared to previous correspondence period is due to increase in the cost of salaries & wages and depreciation. The future outlook seems to be favourable due to relief provided to the textile sector in electricity by the Government.

The earning per share for the nine months ended March 31, 2019 is Rs. 1.27 and for the quarter ended March 31, 2019 is Rs. 1.50. As the Company has accumulated loss and no amount is available in the reserves, the Directors do not recommend payment of any dividend to shareholders of the Company.

Islamabad
April 29, 2019


(Mahmood Elahi)
Director

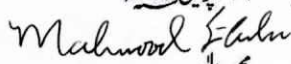
On behalf of Board of Directors

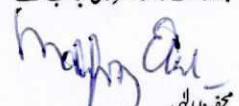

(Mahfooz Elahi)
Chief Executive

الہی کاشن ملز لمیٹڈ

ممبرز کو ڈائریکٹرز کی نو ماہی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز نو ماہی رپورٹ پختہ ۳۱ مارچ ۲۰۱۹ء غیر آڈٹ شدہ عبوری مالیاتی رپورٹ پیش کرتے ہیں۔ کمپنی کا بنیادی کام خالص پولیسٹر دھا کہ بنانا اور فروخت کرنا ہے۔ کمپنی کی مجموعی فروخت - 289.763 ملین روپے سے بڑھ کر - 371.001 ملین روپے ہو گئی ہے جو کہ 81.238 ملین روپے (28.03%) اضافہ ظاہر کر رہی ہے جبکہ فروخت کے اخراجات - 278.955 ملین روپے سے بڑھ کر - 360.885 ملین روپے ہو گئے ہیں جو کہ 81.930 ملین روپے (29.37%) اضافہ ظاہر کر رہے ہیں۔ اس نو ماہی پختہ ۳۱ مارچ ۲۰۱۹ء میں کمپنی نے قبل از ٹیکس - 5.398 ملین روپے کا منافع کمایا ہے جبکہ گزشتہ سال اسی دورانیہ میں یہ منافع - 6.233 ملین روپے تھا اور بعد از ٹیکس - 1.657 ملین روپے کا منافع ہوا جبکہ گزشتہ سال اسی دورانیہ میں - 3.753 ملین روپے کا منافع ہوا تھا۔ کمپنی کے خالص منافع میں کمی کی وجہ سے تنخواہوں اور اجرت میں اضافہ ہے۔ کمپنی توقع کرتی ہے کہ حکومت کی طرف سے بجلی کی قیمت میں کمی کی وجہ سے مستقبل بہتر ہوگا۔ اس نو ماہی پختہ ۳۱ مارچ ۲۰۱۹ء میں کمپنی کا منافع - 1.27 روپے فی حصص ہوا جبکہ تیسری سہ ماہی پختہ ۳۱ مارچ ۲۰۱۹ء کو فی حصص - 1.50 روپے منافع ہوا۔ جیسا کہ کمپنی مجموعی طور پر بھی خسارے میں ہے اور ڈھانڈے میں کوئی رقم نہ ہونے کی وجہ سے ڈائریکٹرز حصہ داران کے لئے کسی منافع کے سفارشات نہیں کرتے۔

اسلام آباد
۲۹ اپریل ۲۰۱۹ء

محمود الہی
ڈائریکٹر

بورڈ آف ڈائریکٹرز کی جانب سے

محفوظ الہی
چیف ایگزیکٹو

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2019

	<u>MARCH 31,</u> 2019 <u>Rupees</u>	<u>JUNE 30,</u> 2018 <u>Rupees</u>
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	130,266,091	133,020,393
Long term security deposits	918,810	918,810
Loans and advances	1,985,008	1,965,428
	<u>133,169,909</u>	<u>135,904,631</u>
CURRENT ASSETS		
Stores spares and loose tools	1,593,695	1,142,442
Stock in trade	21,281,554	17,931,790
Loans and advances	6,138,702	230,169
Trade debts	8,322,601	4,598,298
Short term prepayments	176,422	160,318
Tax refunds due from government	1,135,510	114,881
Cash and bank balances	5,304,901	9,694,345
	<u>43,953,385</u>	<u>33,872,243</u>
TOTAL ASSETS	<u>177,123,294</u>	<u>169,776,874</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	13,000,000	13,000,000
Revaluation surplus on property, plant and equipment	108,907,343	110,644,660
Accumulated loss	(66,068,804)	(69,462,716)
	<u>55,838,539</u>	<u>54,181,944</u>
NON CURRENT LIABILITIES		
Deferred liabilities	22,158,289	23,539,156
CURRENT LIABILITIES		
Trade and other payables	18,416,565	9,808,499
Loan from Directors	71,882,547	72,432,547
Due to Associated Undertaking	8,266,077	9,416,077
Unclaimed dividend	248,165	248,165
Taxation-net	313,113	150,486
	<u>99,126,467</u>	<u>92,055,774</u>
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	<u>177,123,294</u>	<u>169,776,874</u>


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2019

	9 MONTH July 1, 2018 March 31, 2019 Rupees	9 MONTH July 1, 2017 March 31, 2018 Rupees	QUARTER ENDED March 31, 2019 Rupees	QUARTER ENDED March 31, 2018 Rupees
Sales (Net)	371,001,097	289,762,615	126,684,357	107,556,003
Cost of sales	360,885,379	278,954,766	122,104,215	103,556,462
Gross Profit	10,115,718	10,807,849	4,580,142	3,999,541
Administrative expenses	(4,617,674)	(4,497,610)	(1,488,997)	(947,464)
Other operating charges	(353,580)	(334,810)	(45,422)	(165,350)
	(4,971,254)	(4,832,420)	(1,534,419)	(1,112,814)
Operating profit	5,144,464	5,975,429	3,045,723	2,886,727
Other income	254,711	258,420	253,142	78,124
Financial charges	(733)	(1,193)	-	-
Profit before taxation	5,398,442	6,232,656	3,298,865	2,964,851
Taxation				
Current	(4,640,698)	(3,625,263)	(1,586,719)	(1,436,453)
Prior	161,179	-	-	-
Deferred	737,672	1,145,940	242,227	422,479
	(3,741,846)	(2,479,323)	(1,344,491)	(1,013,974)
Profit after taxation	1,656,595	3,753,333	1,954,373	1,950,877
Earnings per share	1.27	2.89	1.50	1.50


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2019

	9 MONTH July 1, 2018 March 31, 2019 Rupees	9 MONTH July 1, 2017 March 31, 2018 Rupees	QUARTER ENDED March 31, 2019 Rupees	QUARTER ENDED March 31, 2018 Rupees
Profit for the period	1,656,595	3,753,333	1,954,373	1,950,877
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	<u>1,656,595</u>	<u>3,753,333</u>	<u>1,954,373</u>	<u>1,950,877</u>



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2019

	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, 2017-as previously reported	13,000,000	-	(76,677,660)	(63,677,660)
Impact of changes in accounting policies		72,309,752		72,309,752
Balance as at July 01, 2017-restated	13,000,000	72,309,752	(76,677,660)	8,632,092
Total comprehensive income for the period				
Profit for the period	-	-	3,753,333	3,753,333
Other comprehensive income for the period	-	40,787,031	-	40,787,031
		40,787,031	3,753,333	44,540,364
Surplus on revaluation of fixed assets- current period incremental depreciation- net of deferred	-	(2,099,253)	2,099,253	-
Balance as at March 31, 2018 (re-stated)	13,000,000	110,997,530	(70,825,074)	53,172,456
Balance as at July 01, 2018	13,000,000	110,644,660	(69,462,716)	54,181,944
Total comprehensive income for the period	-	-	1,656,595	1,656,595
Surplus on revaluation of fixed assets- current period incremental depreciation- net of deferred tax	-	(1,737,317)	1,737,317	-
Balance as at March 31, 2019	13,000,000	108,907,343	(66,068,804)	55,838,539


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

	March 31, 2019 Rupees	March 31, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before taxation	5,398,442	6,232,656
Adjustment for:		
Depreciation	3,410,802	2,823,002
Impairment loss	-	107,923
Gain on disposal of fixed assets	-	(48,534)
Provision for gratuity	3,272,355	2,905,872
Financial charges	733	1,193
	6,683,890	5,789,456
Profit before working capital changes	12,082,332	12,022,112
Changes in working capital:		
Decrease / (increase) in current assets		
Inventories	(3,349,764)	(8,225,406)
Stores, spares and loose tools	(451,253)	101,745
Trade debtors	(3,724,303)	(5,804,483)
Advances and other receivable	(6,945,266)	(4,789,869)
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	8,457,579	7,346,060
	(6,013,007)	(11,371,953)
Cash generated from operations	6,069,325	650,159
Financial charges paid	(733)	(1,193)
Income tax paid/adjusted	(4,166,406)	(3,545,787)
Gratuity paid	(3,915,550)	(1,378,350)
	(8,082,689)	(4,925,330)
Net cash generated from/(used in) operating activities	(2,013,364)	(4,275,171)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan and advances	(19,580)	(430,919)
Addition to work in progress	-	(152,210)
Proceeds on sale of fixed assets	-	1,596,471
Purchase of fixed assets	(656,500)	(1,619,191)
Net cash generated from/(used in) investing activities	(676,080)	(605,849)
CASH FLOWS FROM FINANCING ACTIVITIES		
Received/(paid) from/(to) Associated Undertaking	(1,150,000)	-
Received/(paid) from/(to) Directors	(550,000)	(75,000)
Net cash generated from/ (used in) financing activities	(1,700,000)	(75,000)
Net increase/(decrease) in cash and cash equivalents	(4,389,444)	(4,956,020)
Cash and cash equivalents at the beginning of the period	9,694,345	8,234,893
Cash and cash equivalents at the end of the period	5,304,901	3,278,873


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM NOTES TO THE ACCOUNTS
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019

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-“Interm 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, 2018.
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, 2018.
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 29.04.2019 by the Board of Directors of the Company.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER