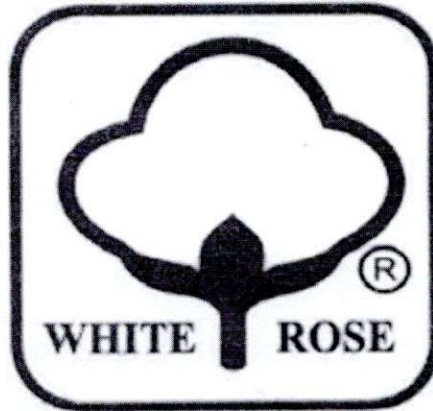


ELAHI COTTON MILLS LIMITED

3rd QUARTER ACCOUNTS

31-Mar-23

(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

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, 2023.

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. 538.074 million to Rs. 597.635 million showing increase of Rs. 59.561 million (11.07 %) whereas cost of sales increased from Rs. 516.107 million to Rs. 579.179 million showing increase of Rs. 63.072 million (12.22 %). The Company earned profit before taxation of Rs. 6.639 million for the nine months from July 01, 2022 to March 31, 2023 as compared to profit of Rs. 12.186 million for the corresponding period of last nine months and loss after taxation of Rs. 0.156 million as compared to profit of Rs. 6.116 million. The loss incurred by the Company is due to increase in cost of sales mainly in salary & wages, raw material and power charges. The Management expects the next quarter to be an uncertain and challenging one. The ongoing political instability, increase in the prices of electricity and sharp devaluation of Pak Rupee are adversely affecting the business of the Company.

Loss per share for the nine months ended March 31, 2023 is Rs. 0.12 and profit per share for the quarter ended March 31, 2023 is Rs. 5.79. The Directors of the Company do not recommend payment of any dividend to shareholders of the Company.

Islamabad
April 27, 2023

Mahmood Elahi

(Mahmood Elahi)
Director

On behalf of Board of Directors

Mahfooz Elahi

(Mahfooz Elahi)
Chief Executive

اہلی کاٹن ملز لمیٹڈ

ممبرز کو ڈائریکٹرز کی جانب سے رپورٹ

کمپنی کے ڈائریکٹرز نوامی رپورٹ مئی ۲۰۲۳ء غیر آڈٹ شدہ عبوری مالیاتی رپورٹ پیش کرتے ہیں۔

کمپنی کا بنیادی کام خالص پولیسٹر دھاگہ بنانا اور فروخت کرنا ہے۔ کمپنی کی مجموعی فروخت -/538.074 ملین روپے سے بڑھ کر -/597.635 ملین روپے ہو گئی ہے جو کہ -/59.561 ملین روپے (11.07%) کا اضافہ ظاہر کر رہی ہے جبکہ فروخت کے اخراجات -/516.107 ملین روپے سے بڑھ کر -/579.179 ملین روپے ہو گئے ہیں جو کہ -/63.072 ملین روپے (12.22%) کا اضافہ ظاہر کر رہے ہیں۔ اس نوامی مئی ۲۰۲۳ء تا ۳۱ مارچ ۲۰۲۳ء میں کمپنی نے قبل از ٹیکس -/6.639 ملین روپے کا منافع کمایا ہے جبکہ گزشتہ سال اسی دورانیہ میں یہ منافع -/12.186 ملین روپے تھا اور بعد از ٹیکس -/0.156 ملین روپے کا نقصان ہوا جبکہ گزشتہ سال اسی دورانیہ میں -/6.116 ملین روپے کا منافع ہوا تھا۔ کمپنی کے نقصان کی وجہ سے فروخت کے اخراجات خاص طور پر تنخواہوں، خام مال اور بجلی کی قیمتوں میں اضافہ ہے۔ انتظامیہ نے آئے واپسی سرمایہ میں غیر یقینی صورت حال دیکھ رہی ہے۔ جاری شدہ سیاسی عدم استحکام، بجلی کی قیمتوں میں اضافہ اور تیزی سے گرتے ہوئے روپے کی قدر کی وجہ سے کمپنی پر منفی اثرات مرتب ہو رہے ہیں۔

اس نوامی مئی ۲۰۲۳ء میں کمپنی کا نقصان -/0.12 روپے فی حصص ہوا جبکہ تیسری سرمایہ مئی ۲۰۲۳ء کو فی حصص -/5.79 روپے منافع ہوا۔ ڈائریکٹرز کمپنی کے حصص داران کے لئے کسی منافع کے سفارش نہیں کرتے۔

اسلام آباد

۲۷ اپریل ۲۰۲۳ء

Mahmood Elahi

محمود اہلی

ڈائریکٹر

بورڈ آف ڈائریکٹرز کی جانب سے

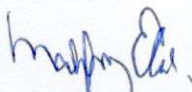
Mahfooz Elahi

محمود اہلی

چیف ایگزیکٹو

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2023


	MARCH 31, 2023 Rupees	JUNE 30, 2022 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	157,411,264	160,857,458
Long term security deposits	918,810	918,810
Loans and advances	4,144,250	3,973,000
	162,474,324	165,749,268
CURRENT ASSETS		
Stores spares and loose tools	3,666,475	2,913,511
Stock in trade	40,395,217	17,896,451
Loans and advances	453,812	11,970,660
Trade debts	29,166,390	16,786,772
Short term prepayments	110,969	327,732
Tax refunds due from government	-	-
Taxation -net	461,969	145,138
Cash and bank balances	13,218,461	8,369,818
	87,473,293	58,410,082
TOTAL ASSETS	249,947,617	224,159,350
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share Capital	13,000,000	13,000,000
Revaluation surplus on property, plant and equipment	135,416,504	137,171,418
Accumulated loss	(44,217,783)	(45,816,232)
	104,198,721	104,355,186
NON CURRENT LIABILITIES		
Staff Retirement Benefits - Gratuity	21,577,474	19,025,428
Deferred Taxation	10,947,822	11,644,515
Long term loan from directors	-	-
	32,525,296	30,669,943
CURRENT LIABILITIES		
Trade and other payables	35,456,383	17,067,004
Loan from directors	77,499,546	71,799,546
Dividend payable / Unclaimed	267,671	267,671
	113,223,600	89,134,221
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	249,947,617	224,159,350



CHIEF EXECUTIVE



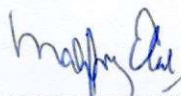
DIRECTOR



CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2023

	9 MONTHS July 1, 2022 March 31, 2023 Rupees	9 MONTHS July 1, 2021 March 31, 2022 Rupees	QUARTER ENDED March 31, 2023 Rupees	QUARTER ENDED March 31, 2022 Rupees
Sales (Net)	597,634,610	538,074,070	234,544,152	194,083,997
Cost of sales	579,179,418	516,106,829	219,347,994	186,004,040
Gross Profit	18,455,192	21,967,241	15,196,158	8,079,957
Administrative expenses	(10,122,401)	(8,270,713)	(3,717,306)	(2,252,980)
Selling and distribution expense	(1,343,800)	-	(611,000)	-
Other operating charges	(833,550)	(1,746,840)	(603,624)	(980,753)
	(12,299,751)	(10,017,552)	(4,931,930)	(3,233,732)
Operating profit	6,155,441	11,949,689	10,264,228	4,846,226
Other income	518,485	273,183	2,644	161,186
Financial charges	(34,641)	(36,610)	(10,321)	(34,000)
Profit before taxation	6,639,285	12,186,262	10,256,551	4,973,411
Taxation				
Current	(7,476,914)	(6,729,341)	(2,931,835)	(2,428,065)
Prior	(15,531)	-	-	-
Deferred	696,693	659,508	197,610	245,917
	(6,795,752)	(6,069,832)	(2,734,225)	(2,182,147)
Profit /(Loss) after taxation	(156,467)	6,116,429	7,522,326	2,791,264
Earning /(Loss) per share	(0.12)	4.70	5.79	2.15


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2023

	9 MONTHS July 1, 2022 March 31, 2023	9 MONTHS July 1, 2021 March 31, 2022	QUARTER ENDED March 31, 2023	QUARTER ENDED March 31, 2022
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) for the period	(156,467)	6,116,429	7,522,326	2,791,264
Other comprehensive income	-	38,507,325	-	-
Related Deferred tax impact	-	(3,554,624)	-	-
	-	34,952,701	-	-
Total comprehensive income / (loss) for the period	<u>(156,467)</u>	<u>41,069,130</u>	<u>7,522,326</u>	<u>2,791,264</u>

Muhammad Iqbal

CHIEF EXECUTIVE

Muhammad Iqbal

DIRECTOR

Muhammad Iqbal

CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2023

	Notes	Rupees			Total
		Share Capital	Reserve		
		Issued subscribed and Paid up Capital	Capital Revaluation surplus on property, plant and equipment	Revenue Accumulated Loss	
Balance as at July 01, 2021		13,000,000	104,345,432	(52,048,073)	65,297,359
Total comprehensive income for the period:					
Profit for the period		-	-	6,116,429	6,116,429
Revaluation surplus on property, plant and equipment			-		-
Related deferred tax impact			38,507,325		38,507,325
			(3,554,624)		(3,554,624)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation-net of deferred tax		-	(1,490,418)	1,490,418	-
Balance as at March 31, 2022		13,000,000	137,807,715	(44,441,226)	106,366,489
Balance as at July 01, 2022		13,000,000	137,171,418	(45,816,230)	104,355,188
Total comprehensive income for the period:					
Loss for the period		-	-	(156,467)	(156,467)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation-net of deferred tax		-	(1,754,914)	1,754,914	-
Balance as at March 31, 2023		13,000,000	135,416,504	(44,217,783)	104,198,721



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	<u>March 31, 2023</u> Rupees	<u>March 31, 2022</u> Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before taxation	6,639,285	12,186,262
Adjustment for:		
Depreciation	3,446,195	3,111,183
Provision for gratuity	5,346,506	4,647,752
Financial charges	34,641	36,610
	<u>8,827,342</u>	<u>7,795,545</u>
Profit before working capital changes	15,466,627	19,981,807
Changes in working capital:		
Decrease /(increase) in current assets		
Inventories	(22,498,766)	(967,130)
Stores, spares and loose tools	(752,964)	(1,365,635)
Trade debtors	(12,379,618)	(13,416,539)
Advances and other receivable	11,733,611	(3,784,668)
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	18,389,380	14,752,535
	<u>(5,508,357)</u>	<u>(4,781,437)</u>
Cash generated from operations	9,958,270	15,200,370
Financial charges paid	(34,641)	(36,610)
Income tax paid/adjusted	(7,809,276)	(6,275,413)
Gratuity paid	(2,794,460)	(2,961,600)
	<u>(10,638,377)</u>	<u>(9,273,623)</u>
Net cash generated from/(used in) operating activities	(680,107)	5,926,746
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan and advances	(171,250)	(1,237,050)
Purchase of fixed assets	-	(93,525)
Net cash generated from/(used in) investing activities	(171,250)	(1,330,575)
CASH FLOWS FROM FINANCING ACTIVITIES		
Received/(paid) from/(to) directors	5,700,000	(255,000)
	<u>5,700,000</u>	<u>(255,000)</u>
Net increase/(decrease) in cash and cash equivalents	4,848,643	4,341,171
Cash and cash equivalents at the beginning of the period	8,369,818	14,485,515
Cash and cash equivalents at the end of the period	<u>13,218,461</u>	<u>18,826,686</u>


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2023

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, 2022.

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.

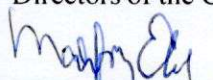
5. The significant accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in preparing the annual accounts for the year ended June 30, 2022.

6. Figures have been rounded off to the nearest rupee.

7. Figures have been rearranged wherever necessary for the purpose of comparison.

8. The IESCO has charged FC Surcharge, QTR Tariff Adjustment & FPA in electric bills amounting to Rs. 6,326,320/-. These levies have been challenged before the Lahore High Court, Rawalpindi Bench. The Honourable High Court has granted stay against these levies and on the basis of stay order the IESCO has deferred this amount till the decision of the High Court. No provision has been made in these accounts as the management is confident that the decision of the case will be decided in the favour of the Company.

9. This condensed interim financial information was authorized for issue on 27.04.2023 by the Board of Directors of the Company.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER