

ELAHI COTTON MILLS LIMITED

1st QUARTER ACCOUNTS

30-Sep-22

(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

WEBSITE 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 1st quarter ended on September 30, 2022.

The principal business of the Company is to manufacture and sale of pure polyester yarn. The Company registered a turnover of Rs. 162.579 million for the quarter ended September 30, 2022 as compared to Rs. 160.097 million for the quarter ended September 30, 2021 showing increase of Rs. 2.482 million (1.55%) whereas the cost of sales increased from Rs. 153.816 million to Rs. 164.231 million showing increase of Rs. 10.415 million (6.77%). The Company incurred loss before taxation of Rs. 5.029 million for the quarter ended September 30, 2022 as compared to profit of Rs. 3.279 million for the quarter ended September 30, 2021 and loss after tax of Rs. 6.828 million as compared to profit of Rs. 1.460 million. The decrease in profitability is due to increase in salary & wages, prices of raw material and power charges. The Management expects the next quarter to be an uncertain and challenging one. The ongoing political instability and flood have adversely affected Pakistan's economy. This situation has further been compounded due to increasing trend in the prices of raw material.

Loss per share for the quarter ended September 30, 2022 is Rs. 5.25. The Directors of the Company do not recommend payment of any cash dividend/bonus shares to the shareholders of the Company.

ON BEHALF OF THE BOARD

October 27, 2022


(Mahfooz Elahi)
Chief Executive


(Mahmood Elahi)
Director

انجمن ممبران
کے لئے ڈائریکٹرز کا جائزہ


کمپنی کے ڈائریکٹرز پہلی سہ ماہی ختمہ ۳۰ ستمبر ۲۰۲۲ کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

کمپنی کا بنیادی کام خالص پولیسٹر دھاگہ بناؤ اور فروخت کرنا ہے۔ کمپنی نے اس سہ ماہی ختمہ ۳۰ ستمبر ۲۰۲۲ میں 162.579 ملین روپے کا کاروبار کیا جبکہ گزشتہ سہ ماہی ختمہ ۳۰ ستمبر ۲۰۲۱ میں 160.097 ملین روپے تھا جو کہ 2.482 ملین روپے (1.55%) اضافہ ظاہر کر رہا ہے جبکہ فروخت کے اخراجات 153.816 ملین روپے سے بڑھ کر 164.231 ملین روپے ہو گئے ہیں جو کہ 10.415 ملین روپے (6.77%) کا اضافہ ظاہر کر رہے ہیں۔ کمپنی کو اس سہ ماہی ختمہ ۳۰ ستمبر ۲۰۲۲ میں قبل از ادائیگی ٹیکس 5.029 ملین روپے کا خسارہ ہوا ہے جبکہ اس کے مقابل گزشتہ سال اسی دورانیہ میں 3.279 ملین روپے کا منافع ہوا تھا اور بعد از ادائیگی ٹیکس 1.460 ملین روپے کے منافع کے مقابل 6.828 ملین روپے کا خسارہ ہوا۔ موجودہ سال منافع میں کمی کی وجہ تھوڑا سا اجرت میں اضافہ، خام مال اور بجلی کی قیمتوں میں اضافہ ہے۔ ہم آگلی سہ ماہی میں کاروبار کی ترقی صورت حال دیکھ رہے ہیں کیونکہ جاری شدہ سیاسی صورت حال اور سیلاب کی وجہ سے پاکستان کی معیشت پر منفی اثر پڑا ہے۔ یہ صورت حال مزید مشکل تر ہو رہی ہے کیونکہ خام مال کی قیمتوں میں اضافے کا رجحان ہے۔

اس سہ ماہی ختمہ ۳۰ ستمبر ۲۰۲۲ میں کمپنی کا فی حصص خسارہ 5.25 روپے ہوا۔ ڈائریکٹرز حصص داران کو کسی نقد منافع ریونس حصص کی سفارش نہیں کرتے۔

اسلام آباد

۲۷ اکتوبر، ۲۰۲۲

بورڈ آف ڈائریکٹرز کی جانب سے

محمود الہی
ڈائریکٹر


محمود الہی
چیف ایگزیکٹو

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

| | Note | 30.09.2022 Rupees | 30.06.2022 Rupees |
|--|------|---------------------------|---------------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | | | |
| Operating fixed assets | 1 | 159,708,727 | 160,857,458 |
| Long term security deposits | | 918,810 | 918,810 |
| Loans and advances | | 4,363,750 | 3,973,000 |
| | | <u>164,991,287</u> | <u>165,749,268</u> |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | 2 | 2,596,891 | 2,913,511 |
| Stock in trade | 3 | 27,806,405 | 17,896,451 |
| Trade debts | | 24,217,864 | 16,786,772 |
| Loans and advances | 4 | 12,283,199 | 11,970,660 |
| Short term prepayments | | 327,732 | 327,732 |
| Taxation -net | | - | 145,138 |
| Cash and bank balances | 5 | 4,548,033 | 8,369,818 |
| | | <u>71,780,124</u> | <u>58,410,082</u> |
| TOTAL ASSETS | | <u><u>236,771,411</u></u> | <u><u>224,159,350</u></u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 6 | 13,000,000 | 13,000,000 |
| Revaluation surplus on property, plant & equipment | 7 | 136,586,447 | 137,171,418 |
| Accumulated loss | | (52,059,278) | (45,816,232) |
| | | <u>97,527,169</u> | <u>104,355,186</u> |
| NON CURRENT LIABILITIES | | | |
| Deferred Taxation | 8 | 11,395,915 | 11,644,515 |
| Staff Retirement Benefits - Gratuity | | 20,276,846 | 19,025,428 |
| | | <u>31,672,761</u> | <u>30,669,943</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 29,038,704 | 17,067,004 |
| Current portion of long term loan from directors | 10 | 62,699,546 | 62,699,546 |
| Short term loan from directors | | 15,350,000 | 9,100,000 |
| Taxation - net | 11 | 215,560 | - |
| Dividend payable/Unclaimed | | 267,671 | 267,671 |
| | | <u>107,571,481</u> | <u>89,134,221</u> |
| CONTINGENCIES AND COMMITMENTS | | - | - |
| TOTAL EQUITY AND LIABILITIES | | <u><u>236,771,411</u></u> | <u><u>224,159,350</u></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, 2022

| | Note | 30.09.2022 Rupees | 30.09.2021 Rupees |
|--|------|----------------------|----------------------|
| Sales | 12 | 162,579,140 | 160,097,003 |
| Cost of sales | 13 | <u>(164,230,577)</u> | <u>(153,815,925)</u> |
| Gross profit/(loss) | | (1,651,437) | 6,281,078 |
| Operating expenses | | | |
| Administrative expenses | 14 | <u>(3,379,430)</u> | <u>(2,660,322)</u> |
| Selling and distribution expenses | | (412,800) | (220,500) |
| Other operating charges | 15 | <u>(80,226)</u> | <u>(122,507)</u> |
| | | <u>(3,872,456)</u> | <u>(3,003,329)</u> |
| Operating profit/(loss) | | (5,523,893) | 3,277,749 |
| Other income | 16 | 502,403 | 4,209 |
| Financial charges | 17 | <u>(7,360)</u> | <u>(2,610)</u> |
| Profit/(loss) before taxation | | (5,028,850) | 3,279,348 |
| Taxation | 18 | <u>(1,799,170)</u> | <u>(1,819,351)</u> |
| Profit/(loss) after taxation | | <u>(6,828,019)</u> | <u>1,459,998</u> |
| Earning/(loss) per share -basic and diluted | | <u>(5.25)</u> | <u>1.12</u> |


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPEHENSIVE INCOME
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

| | <u>30.09.2022</u> <u>Rupees</u> | <u>30.09.2021</u> <u>Rupees</u> |
|--|------------------------------------|------------------------------------|
| Profit/(loss) for the quarter ended September 30, 2022 | (6,828,019) | 1,459,998 |
| Other comprehensive income | - | - |
| Total comprehensive income/(loss) for the quarter ended September 30, 2022 | <u>(6,828,019)</u> | <u>1,459,998</u> |


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
SEPTEMBER 30, 2022

| | 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, 2021 | 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 |
| Balance as at July 01, 2022 | 13,000,000 | 137,171,418 | (45,816,230) | 104,355,188 |
| Total comprehensive income/(loss) for the quarter ended September 30, 2022 | - | - | (6,828,019) | (6,828,019) |
| Surplus on revaluation of fixed assets - incremental depreciation - net of deferred tax | - | (584,971) | 584,971 | - |
| Balance as at September 30, 2022 | 13,000,000 | 136,586,447 | (52,059,278) | 97,527,169 |


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2022

| | For the 1st Qtr ended September 30, 2022 Rupees | For the 1st Qtr ended September 30, 2021 Rupees |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit / (loss) before taxation | (5,028,850) | 3,279,348 |
| Adjustment for: | | |
| Depreciation | 1,148,731 | 958,122 |
| Financial charges | 7,360 | 2,610 |
| Provision for gratuity | 1,782,168 | 1,216,443 |
| | 2,938,259 | 2,177,175 |
| Profit before working capital changes | (2,090,591) | 5,456,523 |
| Changes in working capital: | | |
| Decrease/(increase) in current assets | | |
| Store and spares | 316,620 | (148,480) |
| Stock in trade | (9,909,954) | 413,348 |
| Trade debts | (7,431,092) | (14,680,184) |
| Advances | (312,539) | (22,996) |
| Other receivables | - | 1,210,841 |
| Increase/(decrease) in current liabilities | | |
| Trade and other payables | 11,971,700 | 7,443,904 |
| | (5,365,265) | (5,783,567) |
| Cash (used in) / generated from operations | (7,455,856) | (327,044) |
| Financial charges paid/adjusted | (7,360) | (2,610) |
| Income tax paid/adjusted | (1,687,072) | (1,648,790) |
| Gratuity paid | (530,747) | (598,900) |
| | (2,225,179) | (2,250,300) |
| Net cash (used in)/ generated from operating activities | (9,681,035) | (2,577,344) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Loan and Advances to Employees | (390,750) | (333,500) |
| Net cash (used in)/generated from investing activities | (390,750) | (333,500) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Loan received from/(paid to) Directors | 6,250,000 | - |
| Net cash generated from/(used in) financing activities | 6,250,000 | - |
| Net decrease in cash and cash equivalents | (3,821,785) | (2,910,844) |
| 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 | 4,548,033 | 11,574,671 |


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM NOTES TO THE ACCOUNTS
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

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. This condensed interim financial information was authorized for issue on 27.10.2022 by the Board of Directors of the Company.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER