

ELAHI COTTON MILLS LIMITED

3rd QUARTER ACCOUNTS

31-Mar-24

(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

COMPANY'S INFORMATION

BOARD OF DIRECTORS

MAHBOOB ELAHI
MAHFOOZ ELAHI
MAHMOOD ELAHI
AHMED SHAFFI
FARRUKH AHMED
M. AZEEM AFZAL HASHMI
SAMINA BEGUM

CHAIRMAN

MAHBOOB ELAHI

CHIEF EXECUTIVE

MAHFOOZ ELAHI

AUDIT COMMITTEE

FARRUKH AHMED
MAHBOOB ELAHI
AHMED SHAFFI

HRR COMMITTEE

MAHMOOD ELAHI
M. AZEEM AFZAL HASHMI
FARRUKH AHMED

CHIEF FINANCIAL OFFICER

MUHAMMAD IMTIAZ

COMPANY SECRETARY

SALEEM AHMED

AUDITORS

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
23, EAST SAEED PLAZA
BLUE AREA, ISLAMABAD

REGISTRAR OFFICE

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

REGISTERED OFFICE

270-SECTOR 1-9,
INDUSTRIAL AREA,
ISLAMABAD.

MILLS

JURIAN, MANDRA,
TEHSIL GUJAR KHAN,
DISTRICT RAWALPINDI.

WEBSITE

www.elahicotton.com

ELAHI COTTON MILLS LIMITED

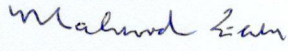
DIRECTORS' REVIEW TO THE MEMBERS

The Directors of the Company are pleased to present unaudited condensed interim financial statements for the nine months ended March 31, 2024.

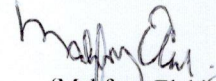
The principal business activity of the Company is to manufacture and sale of Pure Polyester Yarn. Aggregate sales revenue of the Company increased from Rs. 597.635 million to Rs. 726.831 million showing increase of Rs. 129.196 million (21.62 %) whereas cost of sales increased from Rs. 579.179 million to Rs. 713.070 million showing increase of Rs. 133.891 million (23.12 %). The Company incurred loss before taxation of Rs. 0.085 million for the nine months from July 01, 2023 to March 31, 2024 as compared to profit of Rs. 6.639 million for the corresponding period of last nine months and loss after taxation of Rs. 9.547 million as compared to loss of Rs. 0.156 million. The loss incurred by the Company is due to increase in cost of sales mainly in power charges, raw material and salary & wages. The Management expects the next quarter to be an uncertain due to increasing trend in the prices of electricity, raw material and current severe recession in local and international markets with regard to demand and rates of polyester and yarn.

Loss per share for the nine months ended March 31, 2024 is Rs. 7.34 and for the quarter ended March 31, 2024 is Rs. 4.18. The Directors of the Company do not recommend payment of any dividend to shareholders of the Company as the Company has incurred net loss and also has accumulated loss.

Islamabad
April 26, 2024


(Mahmood Elahi)
Director

On behalf of Board of Directors


(Mahfooz Elahi)
Chief Executive

الہی کاٹن ملز لمیٹڈ

ممبرز کو ڈائریکٹرز کی نو ماہی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز نو ماہی رپورٹ مختصر۔ ۳۱ مارچ ۲۰۲۴ء 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 - 597.635 ملین روپے سے بڑھ کر - 726.831 ملین روپے ہو گئی ہے جو کہ 129.196 ملین روپے (21.62%) اضافہ ظاہر کر رہی ہے جبکہ فروخت کے اخراجات - 579.179 ملین روپے سے بڑھ کر - 713.070 ملین روپے ہو گئے ہیں جو کہ 133.891 ملین روپے (23.12%) کا اضافہ ظاہر کر رہے ہیں۔ اس نو ماہی مختصر ۱۰ جولائی ۲۰۲۳ء تا ۳۱ مارچ ۲۰۲۴ء میں کمپنی کو قبل از ٹیکس - 0.085 ملین روپے کا نقصان ہوا جبکہ گزشتہ سال اسی دورانیہ میں - 6.639 ملین روپے کا منافع ہوا تھا اور بعد از ٹیکس - 9.547 ملین روپے کا نقصان ہوا جبکہ گزشتہ سال اسی دورانیہ میں - 0.156 ملین روپے کا نقصان ہوا تھا۔ کمپنی کو خالص نقصان ہونے کی وجہ فروخت کے اخراجات خاص طور پر بجلی کی قیمتوں میں اضافہ، تنخواہوں اور اجرت اور خام مال کی قیمتوں میں اضافہ ہے۔ انتظامیہ مستقبل میں آنے والے سہ ماہی میں غیر یقینی صورت حال دیکھ رہی ہے جسکی وجہ بجلی کی قیمتوں میں اضافے کا رجحان، خام مال، مقامی اور عالمی منڈی میں موجودہ کساد بازاری کا سامنا ہے جو کہ پولیسٹر اور دھاگے کی قیمت و طلب سے منسلک ہے۔

اس نو ماہی مختصر ۳۱ مارچ ۲۰۲۴ء میں کمپنی کا نقصان - 7.34 روپے فی حصص ہوا جبکہ تیسری سہ ماہی مختصر ۳۱ مارچ ۲۰۲۴ء کو فی حصص - 4.18 روپے کا نقصان ہوا۔ کیونکہ کمپنی کو خالص نقصان ہوا ہے اور جمع شدہ بھی نقصان بھی ہے لہذا ڈائریکٹرز کمپنی کے حصہ داران کے لئے کسی منافع کے سفاکش نہیں کرتے۔

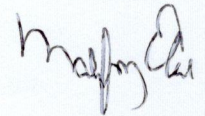
اسلام آباد

۲۶ اپریل ۲۰۲۴ء



محمود الہی
ڈائریکٹر

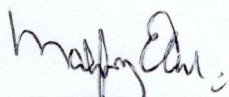
بورڈ آف ڈائریکٹرز کی جانب سے



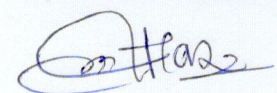
محفوظ الہی
چیف ایگزیکٹو

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2024

	Note	MARCH 31, 2024 Rupees	JUNE 30, 2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	1	169,020,793	158,144,784
Long term security deposits		918,810	918,810
Loans and advances		5,425,250	4,379,750
		<u>175,364,853</u>	<u>163,443,344</u>
CURRENT ASSETS			
Stores spares and loose tools	2	4,329,857	3,420,249
Stock in trade	3	41,822,133	27,036,875
Loans and advances	4	253,092	571,910
Trade debts		40,041,074	29,202,712
Short term prepayments		91,697	722,842
Short term investment		544,435	503,965
Tax refund due from government		1,552,035	-
Taxation -net	8	1,612,472	923,093
Cash and bank balances	5	7,211,601	12,861,216
		<u>97,458,396</u>	<u>75,242,862</u>
TOTAL ASSETS		<u><u>272,823,249</u></u>	<u><u>238,686,206</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital		13,000,000	13,000,000
Revaluation surplus on property, plant and equipment	9	133,246,236	134,831,533
Accumulated loss		<u>(52,847,974)</u>	<u>(44,886,434)</u>
		93,398,262	102,945,099
NON CURRENT LIABILITIES			
Staff Retirement Benefits - Gratuity	6	28,945,293	24,152,146
Deferred Taxation		10,592,630	10,220,327
Non current portion of lease liability		725,392	1,099,129
Long term loan from directors		-	-
		<u>40,263,315</u>	<u>35,471,602</u>
CURRENT LIABILITIES			
Trade and other payables	7	45,104,733	21,869,557
Current portion of long term loan from directors		61,417,803	61,849,546
Current portion of lease liability		1,521,465	932,731
Short term loan from directors		30,850,000	15,350,000
Dividend payable / Unclaimed		267,671	267,671
		<u>139,161,672</u>	<u>100,269,505</u>
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>272,823,249</u></u>	<u><u>238,686,206</u></u>

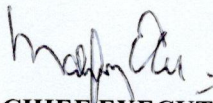

CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2024

	Note	9 MONTHS July 1, 2023 March 31, 2024 Rupees	9 MONTHS July 1, 2022 March 31, 2023 Rupees	QUARTER ENDED March 31, 2024 Rupees	QUARTER ENDED March 31, 2023 Rupees
Sales (Net)	11	726,830,976	597,634,610	252,072,572	234,544,152
Cost of sales	12	713,070,092	579,179,418	249,508,971	219,347,994
Gross Profit		13,760,884	18,455,192	2,563,601	15,196,158
Administrative expenses	13	(12,157,309)	(10,122,401)	(4,444,667)	(3,717,306)
Selling and distribution expense		(1,148,100)	(1,343,800)	(443,000)	(611,000)
Other operating charges	14	(506,382)	(833,550)	(99,850)	(603,624)
		(13,811,791)	(12,299,751)	(4,987,517)	(4,931,930)
Operating profit /(loss)		(50,907)	6,155,441	(2,423,916)	10,264,228
Other income	15	294,444	518,485	5,315	2,644
Financial charges	16	(329,005)	(34,641)	(79,581)	(10,321)
Profit/(loss) before taxation		(85,468)	6,639,285	(2,498,182)	10,256,551
Taxation					
Current	17	(9,089,068)	(7,476,914)	(3,150,974)	(2,931,835)
Prior		-	(15,531)	-	-
Deferred		(372,301)	696,693	214,886	197,610
		(9,461,368)	(6,795,752)	(2,936,087)	(2,734,225)
Profit /(loss) after taxation		(9,546,837)	(156,467)	(5,434,270)	7,522,326
Earning /(loss) per share		(7.34)	(0.12)	(4.18)	5.79


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2024

	9 MONTHS July 1, 2023 March 31, 2024	9 MONTHS July 1, 2022 March 31, 2023	QUARTER ENDED March 31, 2024	QUARTER ENDED March 31, 2023
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) for the period	(9,546,837)	(156,467)	(5,434,270)	7,522,326
Other comprehensive income	-	-	-	-
Related deferred tax impact	-	-	-	-
Total comprehensive income / (loss) for the period	<u>(9,546,837)</u>	<u>(156,467)</u>	<u>(5,434,270)</u>	<u>7,522,326</u>

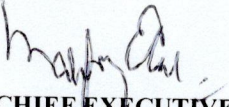

CHIEF EXECUTIVE


DIRECTOR

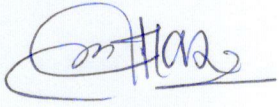

CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2024

	Notes	Share Capital	Reserve		Total
		Issued subscribed and Paid up Capital	Capital Revaluation surplus on property, plant and equipment	Revenue Accumulated Loss	
Rupees					
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
Balance as at July 01, 2023		13,000,000	134,831,533	(44,886,434)	102,945,099
Total comprehensive income for the period:					
Loss for the period		-	-	(9,546,837)	(9,546,837)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation-net of deferred tax		-	(1,585,297)	1,585,297	-
Balance as at March 31, 2024		13,000,000	133,246,236	(52,847,974)	93,398,262

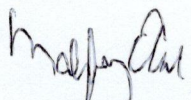

CHIEF EXECUTIVE


DIRECTOR

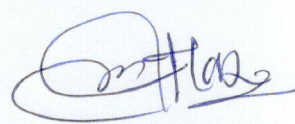

CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024 (UN-AUDITED)

	<u>March 31, 2024</u> Rupees	<u>March 31, 2023</u> Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/(loss) before taxation	(85,468)	6,639,285
Adjustment for:		
Depreciation	5,005,971	3,446,195
Provision for gratuity	7,135,347	5,346,506
Financial charges	329,005	34,641
	<u>12,470,323</u>	<u>8,827,342</u>
Profit before working capital changes	12,384,855	15,466,627
Changes in working capital:		
Decrease /(increase) in current assets		
Stock in trade	(14,785,258)	(22,498,766)
Stores, spares and loose tools	(909,608)	(752,964)
Trade debtors	(10,838,362)	(12,379,618)
Advances and other receivable	(602,073)	11,733,611
(Decrease) / increase in current liabilities		
Creditors, accrued and other liabilities	23,235,176	18,389,380
	<u>(3,900,125)</u>	<u>(5,508,357)</u>
Cash generated from operations	8,484,730	9,958,270
Financial charges paid	(114,008)	(34,641)
Income tax paid/adjusted	(9,778,444)	(7,809,276)
Gratuity paid	(2,342,200)	(2,794,460)
	<u>(12,234,652)</u>	<u>(10,638,377)</u>
Net cash generated from/(used in) operating activities	(3,749,922)	(680,107)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan and advances	(1,045,500)	(171,250)
Short Term Investments	(40,470)	-
Purchase of fixed assets	(15,881,980)	-
Net cash generated from/(used in) investing activities	(16,967,950)	(171,250)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of current portion of long term loan from directors	(431,743)	-
Short term loan from directors	15,500,000	5,700,000
Net cash generated from financing activities	15,068,257	5,700,000
Net increase/(decrease) in cash and cash equivalents	(5,649,615)	4,848,643
Cash and cash equivalents at the beginning of the period	12,861,216	8,369,818
Cash and cash equivalents at the end of the period	<u>7,211,601</u>	<u>13,218,461</u>

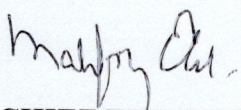

CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED MARCH 31, 2024

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, 2023.
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, 2023.
6. Figures have been rounded off to the nearest rupee.
7. Figures have been rearranged wherever necessary for the purpose of comparison.
8. From July 2022 onwards, Islamabad Electric Supply Company Limited (IESCO) is imposing a levy in monthly electricity bills of the company in respect of Quarterly Tariff Adjustment, Financing Cost (FC) surcharge and Fuel Price Adjustment (FPA). The balance under this levy is accumulated to Rs. 12.962 million as at period end March 31, 2024. Being aggrieved, the Company has filed a stay petition against the said levy in Islamabad High Court. An appeal having petition number 107/NT/2024 has also been filed before NEPRA Tribunal on March 19, 2024. The company's management remains optimistic about the case's verdict and is hopeful for a favorable outcome.
9. This condensed interim financial information was authorized for issue on 26.04.2024 by the Board of Directors of the Company.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER