

ELAHI COTTON MILLS LIMITED

3RD QUARTER ACCOUNTS
March 31, 2013

(UN-AUDITED)

BOOK POST

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ELAHI COTTON MILLS LIMITED
270-Sector I/9,
Industrial Area, Islamabad.
www.elahicotton.com
Email: elahicotton@gmail.com
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COMPANY INFORMATION

BOARD OF DIRECTORS

MR. MAHFOOZ ELAHI (CHIEF EXECUTIVE)
 MR. MAHBOOB ELAHI
 MR. MAHMOOD ELAHI
 MR. FARRUKH AHMED
 MR. ABDUL RASHEED
 MR. NAVEED AKHTER
 SYED MUHAMMAD RAUNAQ UD DIN

AUDITORS

M/S. BOO EBRAHIM & COMPANY, Chartered Accountants
 3rd Floor, Saeed Plaza, 22 East Blue Area, Islamabad.

AUDIT COMMITTEE : 1. Mr. Mahmood Elahi 2. Mr. Farrukh Ahmed
 3. Mr. Naveed Akhter

HRR COMMITTEE : 1. Mr. Mahfooz Elahi 2. Mr. Mahboob Elahi
 3. Mr. Raunaq ud din

CHIEF FINANCIAL OFFICER : MR. MUHAMMAD IMTIAZ

COMPANY SECRETARY : MR. SALEEM AHMED

REGISTERED OFFICE : 270-Sector 19, Industrial Area, Islamabad.

SHARE REGISTRAR : Corplink (Pvt) Limited, Wings Arcade,
 1-K Commercial, Model Town, Lahore

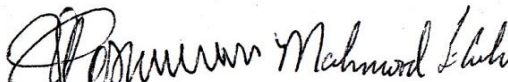
DIRECTORS 3RD QUARTER REPORT TO THE SHAREHOLDERS:

The Directors of the Company are pleased to present financial information for the 3rd quarter ended March 31, 2013.

The Company earned net profit after taxation of Rs. 4.560 million for the nine months from July 01, 2012 to March 31, 2013 as compared to net profit of Rs. 1.147 million for the corresponding period of last nine months. Aggregate sales revenue of the Company increased from Rs. 158,448 to Rs. 193,643 million showing increase of Rs. 35,195 million (22.21%) whereas cost of sales increased from Rs. 154,621 million to Rs. 186,146 million showing increase of Rs. 31,525 million (20.39%). The Gross margin increased from Rs. 3,827 million to Rs. 7,497 million showing improvement of 95.90% over the corresponding period. The net profit earned by the Company is due to better sales rates of finished goods. We foresee the next quarter to be difficult one due to increasing trend in unannounced electric shutdowns.

The earning per share for the nine months ended March 31, 2013 is Rs. 3.51. The Directors do not recommend payment of any dividend to shareholders of the Company.

Islamabad, ON BEHALF OF THE BOARD
 April 29, 2013.

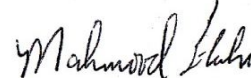

 (MAHBOOB ELAHI)
 Director

(MAHMOOD ELAHI)
 Director


 (MAHBOOB ELAHI)
 Director


 (MAHMOOD ELAHI)
 Director


 (MAHBOOB ELAHI)
 Director


 (MAHMOOD ELAHI)
 Director

**ELAHI COTTON MILLS LIMITED
 CONDENCED INTERIM BALANCE SHEET
 AS AT MARCH 31, 2013
 (UN-AUDITED)**

ASSETS	31.03.2013	30.06.2012
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	57,389,835	58,724,606
Long Term Security Deposits	918,810	918,810
	<u>58,308,645</u>	<u>59,643,416</u>
CURRENT ASSETS :		
Stores & Spares	907,401	652,744
Stock in trade	10,595,703	7,780,752
Advances	1,063,128	761,837
Trade debts	975,310	657,490
Short term prepayments	113,619	67,978
Other receivables	122,152	122,152
Taxation-net	51,891	7,430
Cash and Bank Balances	3,590,211	2,107,470
	<u>17,419,415</u>	<u>12,157,853</u>
TOTAL ASSETS	<u>75,728,060</u>	<u>71,801,269</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Share Capital 5,000,000		
ordinary shares of Rs. 10/- each	50,000,000	50,000,000
Issued, subscribed & paid up	13,000,000	13,000,000
Accumulated Loss	(76,052,533)	(81,468,926)
	<u>(63,052,533)</u>	<u>(68,468,926)</u>
SURPLUS ON REVALUATION OF FIXED ASSETS	39,175,333	40,031,928
NON CURRENT LIABILITIES		
Deferred Liabilities	12,177,222	12,081,237
Long Term Loan from Directors	62,607,546	62,607,547
Due to associated undertakings	14,916,077	17,416,077
	<u>89,700,845</u>	<u>92,104,861</u>
CURRENT LIABILITIES :		
Trade and other payables	9,904,415	8,133,406
	<u>9,904,415</u>	<u>8,133,406</u>
CONTINGENCIES & COMMITMENTS (3)	-	-
TOTAL EQUITY AND LIABILITIES	<u>75,728,060</u>	<u>71,801,269</u>

**ELAHI COTTON MILLS LIMITED
 CONDENCED INTERIM PROFIT & LOSS ACCOUNT
 FOR THE 3RD QUARTER ENDED
 March 31, 2013**

	9 - Months 01.07.2012 to 31.03.2013	9 - Months 01.07.2011 to 31.03.2012	QUARTER ENDED 31.03.2013	QUARTER ENDED 31.03.2012
Sales (Net)	193,643,039	158,448,372	71,644,804	56,364,374
Cost of Sales	186,145,749	154,621,480	68,876,949	54,323,362
Gross Profit	<u>7,497,290</u>	<u>3,826,892</u>	<u>2,767,855</u>	<u>2,041,012</u>
OPERATING EXPENSES				
Administrative Expenses	(2,131,738)	(1,900,669)	(701,789)	(702,667)
Other operating Charges	(505,591)	(298,775)	(252,204)	(79,232)
	<u>(2,637,329)</u>	<u>(2,199,444)</u>	<u>(953,993)</u>	<u>(781,899)</u>
OPERATING PROFIT	4,859,961	1,627,448	1,813,862	1,259,113
Other income	68,559	440,821	42	12
Financial charges	(81,081)	(49,301)	(13,331)	(550)
Profit before Taxation	4,847,439	2,018,968	1,800,573	1,258,575
Taxation				
-current	(968,215)	(1,584,484)	(357,881)	(563,644)
-deferred	680,574	712,085	198,493	227,658
	<u>(287,641)</u>	<u>(872,399)</u>	<u>(159,388)</u>	<u>(335,986)</u>
Profit after taxation	4,559,798	1,146,569	1,641,185	922,589
Earning per share	3.51	0.88	1.26	0.71

ELAHI COTTON MILLS LIMITED
CONDENCED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2013
(UN-AUDITED)

	31.03.2013 RUPEES	31.03.2012 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	4,847,439	2,018,968
Adjustment for :		
Depreciation	2,377,370	2,526,139
Provision for Gratuity	1,725,000	707,900
Gain on disposal of fixed assets	-	(291,909)
Financial Charges	81,081	49,301
	<u>4,183,451</u>	<u>2,991,431</u>
Profit before working capital changes	9,030,890	5,010,399
Changes in working Capital		
Decrease/(Increase) in current Assets		
Inventories	(2,814,951)	(2,760,579)
Stores, spares and loose tools	(254,658)	(365,509)
Trade debtors	(317,820)	-
Advances and other receivables	(346,932)	(20,084)
(Decrease)/increase in current liabilities,		
Creditors, accrued and other liabilities	1,691,232	1,553,444
	<u>(2,043,129)</u>	<u>(1,592,728)</u>
Cash generated from/ (used in) operations	<u>6,987,761</u>	<u>3,417,671</u>
Financial charges paid	(1,304)	(1,908)
Income Tax Paid	(1,012,676)	(1,749,756)
Gratuity Paid	(948,440)	(410,650)
	<u>(1,962,420)</u>	<u>(2,162,314)</u>
Net cash-generated from operating/(used in) operating activities	<u>5,025,341</u>	<u>1,255,357</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	-	300,000
Purchase of fixed assets	(1,042,600)	(1,953,070)
Net cash generated from/(used in) investing activities	<u>(1,042,600)</u>	<u>(1,653,070)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Received from undertakings/Directors	(2,500,000)	1,250,000
Net cash generated from (used in) financing activities	<u>(2,500,000)</u>	<u>1,250,000</u>
Net Increase / (decrease) in cash and cash equivalents	1,482,741	852,287
Cash and cash equivalents at the beginning of the period	2,107,470	2,396,396
Cash and cash equivalents at the end of the period	<u>3,590,211</u>	<u>3,248,683</u>


 MAHBOOB ELAHI
 Director


 (MAHMOOD ELAHI)
 Director

**STATEMENT OF CHANGES
IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED
MARCH 31, 2013**

	Share Capital	Accumulated Profit/(Loss)	Total
	Rupees	Rupees	Rupees
Balance as at July 01, 2011	13,000,000	(83,756,584)	(70,756,584)
Profit for the period ended March 31, 2012	-	1,146,569	1,146,569
Surplus on Revaluation of fixed assets - current period incremental depreciation - net of deferred tax	-	949,303	949,303
Balance as March 31, 2012	<u>13,000,000</u>	<u>(81,660,712)</u>	<u>(68,660,712)</u>
Balance at July 01, 2012	13,000,000	(81,468,926)	(68,468,926)
Profit for the period ended March 31, 2013	-	4,559,798	4,559,798
Surplus on Revaluation of fixed assets- current period incremental depreciation - net of deferred tax	-	856,595	856,595
Balance at March 31, 2013	<u>13,000,000</u>	<u>(76,052,533)</u>	<u>(63,052,533)</u>

**ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME FOR THE
3RD QUARTER ENDED MARCH 31, 2013
(UN-AUDITED)**

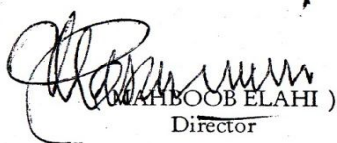
	9 MONTH JULY 01, 2012 TO MARCH 31, 2013	9 MONTH JULY 01, 2011 TO MARCH 31, 2012	QUARTER ENDED MARCH 31, 2013	QUARTER ENDED MARCH 31, 2012
	RUPEES	RUPEES	RUPEES	RUPEES
Profit for the period	4,559,798	1,146,569	1,641,185	922,589
Other comprehensive Income	0	0	0	0
Total Comprehensive Profit for the period	<u>4,559,798</u>	<u>1,146,569</u>	<u>1,641,185</u>	<u>922,589</u>


**NOTES TO THE ACCOUNTS
FOR THE 3RD QUARTER ENDED
MARCH 31, 2013**

- The Company was incorporated as a public limited company on June 22, 1970 and is listed on Karachi / Islamabad Stock Exchanges. The Company is engaged in manufacturing and sale of yarn.
- The accounting policies adopted for the preparation of these accounts are consistent with those applied in preparing the annual accounts for the year ended June 30, 2012.
- The Company has filed a suit before Islamabad High Court against IESCO regarding fuel price adjustment surcharge. The Honourable High Court has granted a stay order. Hence the Company has not accounted for expenses in books of accounts amounting to Rs. 757,274/-
- Figures have been rounded off to the nearest rupee and have been re-arranged, where necessary, for the purpose of comparison.

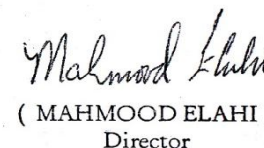
**STATEMENT U/S 241 OF THE COMPANIES
ORDINANCE, 1984.**

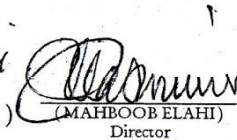
The 3rd quarter un-audited Balance Sheet, Profit & Loss Account, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Equity and Directors Report thereon for the period ended March 31, 2013 have been approved by the Board of Directors on April 29, 2013. These have been signed by Mr. Mahboob Elahi, Director, and Mr. Mahmood Elahi, Director, instead of Chief Executive and one Director as required under the law, while Chief Executive of the Company is presently not in Pakistan.

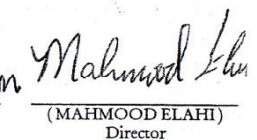

(MAHBOOB ELAHI)
Director


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