

**FIRST QUARTER REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2017
(Un-Audited)**



ELLCOT SPINNING MILLS LTD.



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ELLCOT SPINNING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shahzada Ellahi Shaikh Non-Executive Director / Chairman
Mr. Syed Moaz Mohiuddin Independent Non-Executive Director
Mr. Jamal Nasim (Nominee NIT) Non-Executive Director
Mr. Shaukat Ellahi Shaikh Non-Executive Director
Mr. Raza Ellahi Shaikh Non-Executive Director
Mr. Amin Ellahi Shaikh Non-Executive Director
Mr. Shafqat Ellahi Shaikh Executive Director

MANAGING DIRECTOR (Chief Executive)

Mr. Shafqat Ellahi Shaikh

AUDIT COMMITTEE

Mr. Syed Moaz Mohiuddin Chairman
Mr. Shaukat Ellahi Shaikh Member
Mr. Amin Ellahi Shaikh Member
Mr. Syed Mohsin Gilani Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Amin Ellahi Shaikh Chairman
Mr. Shaukat Ellahi Shaikh Member
Mr. Raza Ellahi Shaikh Member
Mr. Muhammad Azam Secretary

EXECUTIVE COMMITTEE

Mr. Shaukat Ellahi Shaikh Chairman
Mr. Shahzada Ellahi Shaikh Member
Mr. Shafqat Ellahi Shaikh Member
Mr. Amin Ellahi Shaikh Member
Mr. Muhammad Azam Secretary

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Ahmad

HEAD OF INTERNAL AUDIT

Mr. Kashif Saleem

AUDITORS

Messrs Rahman Sarfraz Rahim Iqbal Rafiq
Chartered Accountants

LEGAL ADVISOR

Bandial & Associates

LEAD BANKERS

Albaraka Bank (Pakistan) Ltd.
Allied Bank Ltd.
Askari Bank Ltd.
Bank Alfalah Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Meezan Bank Ltd.
MCB Bank Ltd.
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Ltd.
The Bank of Punjab
United Bank Ltd.

REGISTERED OFFICE

Nagina House
91-B-1, M.M. Alam Road
Gulberg-III, Lahore-54660

WEB REFERENCE

www.nagina.com

SHARE REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.
1st Floor, H.M. House
7-Bank Square, Lahore
Phone # 042-37235081-2
Fax # 042-37358817

MILLS

6.3 K.M, Manga Mandi, Raiwind Road
Muza Rossa, Tehsil & District Kasur



DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the 1st quarter ended on September 30, 2017. The comparative figures for the corresponding quarter ended on September 30, 2016 are included for comparison, except in balance sheet where comparative figures are for the year ended on June 30, 2017.

Company Performance

Alhamdulillah, despite turbulent operating environment your Company has managed to earn after tax profit of Rs.17,924,780 compared to Rs.25,366,860 during same quarter of last year. This has been possible due to better marketing strategies and effective cost controls. Earning per share for the quarter is Rs.1.64 compared to Rs.2.32 during same quarter of last year.

Sales revenue for the quarter under review is Rs.1,190,153,655 compared to Rs.1,029,134,573 during same quarter of last year. Cost of sales increased from 92.16% of sales during the same quarter of last year to 92.62% of sales during the quarter under review. This cost surge has resulted in decrease in GP from 7.84% of sales during the same quarter of last year to 7.38% of sales during the quarter under review. Cost of sales increase is mainly due to higher raw material and energy costs.

Overall operating expenses increased from 3.50% of sales to 4.28% of sales. The Company has been able to generate stable cash flows and discharged all its operating and financial liabilities in time. Finance cost increased from 1.02% of sales during same quarter of last year to 1.69% of sales during quarter under review.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2017-18, Kapas, (seed cotton) arrivals upto October 15, 2017, at the Ginneries totalled 5.984 million bales compared to 4.375 million bales of same period of previous year showing increase in arrival of 36.78%.

Future Outlook

The government has announced export incentives for the textile sector and issued SRO on October 20, 2017. It is hoped that the export rebates announced under the government export enhancement policy will help in the financial revival of the textile sector.

Cotton crop forecasts are encouraging and it is expected that the country may harvest a large cotton crop. A good crop size in the country would help in maintaining competitiveness of the industry and sustain the export volumes. Overall Yarn market is still under distress consequent to which product margins are low.

Your management is striving to combat this situation through product diversification and seeking new market avenues. We hope that our government would resolve issues such as timely release of stuck up tax refunds, release of long awaited technology up-gradation fund (TUF), supply of cost effective uninterrupted energy and zero rated tax regime for textile sector.



Acknowledgement

Despite adverse conditions profitable results have been possible due to continued diligence and devotion of the staff and workers of the Company. The continued good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their gratitude to the bankers for their continued support to the company.

On behalf of the Board.

Shahzada Ellahi Shaikh
Chairman

Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : October 26, 2017.

ممبران کے لئے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 ستمبر 2017 کو مختصر پبلی سرہائی کے لئے کمپنی کی غیر نظر دہنی شدہ مالیاتی معلومات پیش کرتے ہوئے غرضی مسموئ کر رہے ہیں۔ 30 ستمبر 2016 کو ختم ہونے والی اسی سرہائی کے مالی اعداد و شمار بھی بطور ٹیسٹ میں موازنہ کے لئے شامل کئے گئے ہیں۔ سوائے بطور ٹیسٹ کے یہاں مالی اعداد و شمار 30 ستمبر 2017 کو مختصر سال کے لئے ہیں۔

کمپنی کی کارکردگی

الموجودہ ٹھیکہ واپر بینک ماحول کے باوجود آپ کی کمپنی نے گزشتہ سال کی اسی سرہائی کے دوران 23,346,800 روپے کے مقابلہ میں بعد ازاں مبالغہ مبالغہ 17,924,780 روپے کم کیا ہے۔ یہ بہتر مارکیٹنگ سخت عملیوں اور سوکھ لاکٹ کنٹرول کے باعث ممکن ہوا ہے۔ سرہائی کے لئے فی شیئر آمدنی (EPS) گزشتہ سال کی اسی سرہائی کے دوران 2.32 روپے کے مقابلہ میں 1.84 روپے ہے۔

زیر جائزہ سرہائی کے دوران فروخت کی آمدنی گزشتہ سال کی اسی سرہائی کی 1,029,134,573 روپے کے مقابلہ میں 1,190,153,655 روپے ہے۔ فروخت کی لاکٹ گزشتہ سال کی اسی سرہائی کے دوران فروخت کی 92.16 فیصد سے زیادہ گزیر جائزہ سرہائی کے دوران فروخت کی 92.62 فیصد ہوگی۔ لاکٹ میں اضافے کی وجہ سے مجموعی مبالغہ میں کمی ہوئی ہے، جو کہ گزشتہ سال کی اسی سرہائی کے دوران فروخت کے 7.84 فیصد سے کم ہو کر زیر جائزہ سرہائی کے دوران فروخت کا 7.38 فیصد تک ہو گیا۔ فروخت کی لاکٹ میں اضافہ بنیادی طور پر کامیاب اور نئی کی بڑھتی ہوئی قیمتوں کی وجہ سے ہے۔

مجموعی اٹھائی اخراجات فروخت کے 3.50 فی صد سے زیادہ کر فروخت کے 4.28 فی صد ہو گئے۔ کمپنی مٹھم لاکٹ ہی بہا ہے کرتے اور اپنے تمام اٹھائی اور مالی اہلیات بر وقت ہونے کے قابل رہی ہے۔ مالی لاکٹ گزشتہ سال کی اسی سرہائی کے دوران فروخت کی 1.02 فیصد سے زیادہ گزیر جائزہ سال کے دوران فروخت کی 1.69 فیصد ہوگی۔

فصل سال 2017-18 کیلئے پاکستان کاٹن ہنزہ ایسوسی ایشن کی طرف سے جاری کردہ اعداد و شمار کے مطابق کپاس، (انج کپاس) کی 115 اکتوبر 2017 تک ہنزہ میں آمد گزشتہ سال کی اسی مدت میں 4,375 ٹین کاٹنوں کے مقابلہ میں 5,984 ٹین کاٹنیں ہوگی جو 36.78 فیصد اضافہ ظاہر کرتی ہے۔

مستقبل کا نظریہ

حکومت نے ایک نئی شے کے لئے برآمدی سہولتوں کا اعلان کیا ہے اور 120 اکتوبر 2017 کو SRO جاری کیا ہے۔ امید ہے کہ حکومت کی برآمد کو بڑھانے کی پالیسی کے تحت اعلان کردہ برآمدی رعایات نیک ناکل شے کی مالی بحالی میں مدد کرے گی۔

کپاس کی آٹے جاتی فصل کے اعداد و شمار جو سلا لہذا ہیں اور پروجیکٹ کی چائے ہے کہ ملک کپاس کی بڑی فصل کاشت کر سکتا ہے۔ ملک میں فصل کا اچھا سا متنوع کی مسابقت کو برقرار رکھنے اور برآمدی ٹیم کو مٹھم رکھنے میں مدد کرے گا۔ مجموعی طور پر یاران کی مارکیٹ ابھی تک زیادہ کا 50 ہے جس کے نتیجہ میں پروڈکٹ مارکیٹنگ کم ہیں۔

انگلہ میں مصنوعات کی فروغ اور نئی مارکیٹ کی راہیں تلاش کرنے کے ذریعے سے اس صورتحال کا مقابلہ کرنے کی کوشش کر رہی ہے۔ ہمیں امید ہے کہ طاری حکومت کی ہوائی ٹیکس رقم کی بروقت واپسی، بطور مثال، انگلہ کے بعد ٹیکس نوٹیس اپ گریڈیشن کارڈ (TUIP) کی اور انٹرنیشنل ٹریڈنگ کی پالیسیوں پر بھی اور جیٹس کی شرح کے لئے ذریعہ بنانے لگے ہیں۔ یہ مسائل کو حل کرتے گی۔

اعلیٰ تحفہ

مختلف حالات کے بارے میں مزید تفصیلات کی کاپی کے لئے اور کارکنوں کی مسلسل بہت اور چند ہی کی بروقت ضمنی ہونے ہیں۔ تمام سطحوں پر اچھے انسانی تعلقات کا احوال کرتے ہیں۔ ڈائریکٹرز کمیٹی کی مسلسل حمایت پر ڈیپارٹمنٹ کا شکریہ ادا کرتے ہیں۔

منجانب سر

شانتی لال
شانتی لال

منجانب ڈائریکٹر (چیف ایگزیکٹو)

شیر ادرالی شیخ

ڈائریکٹر

لاہور، 26 اکتوبر 2017ء



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

	Un-Audited September 30 2017	Audited June 30 2017
	Rupees	Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 20,000,000 (June 30, 2017: 20,000,000) Ordinary shares of Rs. 10 each	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	109,500,000	109,500,000
Capital reserves	(23,426,564)	(2,744,398)
Accumulated profit	<u>1,360,193,266</u>	<u>1,342,268,486</u>
TOTAL EQUITY	1,446,266,702	1,449,024,088
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	611,503,571	494,645,971
Employees retirement benefits	69,866,779	70,670,998
Deferred taxation	51,142,039	51,142,039
	<u>732,512,389</u>	616,459,008
CURRENT LIABILITIES		
Trade and other payables	309,743,040	275,941,173
Accrued interest / mark-up	17,908,284	17,411,243
Short term borrowings	690,610,121	922,677,657
Current portion of non-current liabilities	72,263,479	72,263,479
	<u>1,090,524,924</u>	1,288,293,552
TOTAL LIABILITIES	1,823,037,313	1,904,752,560
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	<u>3,269,304,015</u>	<u>3,353,776,648</u>

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Lahore : October 26, 2017.

Shahzada Ellahi Shaikh
Chairman



ELLCOT SPINNING MILLS LIMITED

		Un-Audited September 30 2017	Audited June 30 2017
	Note	Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	6	1,255,224,058	1,172,920,884
Long term deposits		7,090,700	7,090,700
		1,262,314,758	1,180,011,584
CURRENT ASSETS			
Stores, spares and loose tools		61,215,685	38,689,803
Stock-in-trade		883,133,709	850,294,545
Trade debts		264,362,804	390,184,845
Advances, prepayments and other receivables		208,252,522	260,170,428
Short term investments		468,941,525	546,042,499
Advance income tax		80,737,816	72,443,909
Cash and bank balances		40,345,196	15,939,035
		2,006,989,257	2,173,765,064
TOTAL ASSETS		3,269,304,015	3,353,776,648

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Muhammad Ahmad
CFO

Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	Quarter Ended	
		September 30 2017	September 30 2016
		Rupees	Rupees
Sales - net		1,190,153,655	1,029,134,573
Cost of sales	7	(1,102,353,477)	(948,446,744)
Gross profit		87,800,178	80,687,829
Distribution cost		(4,823,099)	(6,354,467)
Administrative expenses		(30,884,537)	(26,966,526)
Other expenses		(15,219,278)	(2,726,316)
		(50,926,914)	(36,047,309)
		36,873,264	44,640,520
Other income		1,218,701	2,091,629
Operating profit		38,091,965	46,732,149
Finance cost		(20,167,185)	(10,519,708)
Profit before taxation		17,924,780	36,212,441
Provision for taxation		-	(10,845,581)
Profit after taxation		17,924,780	25,366,860
Earnings per share - basic and diluted		1.64	2.32

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Lahore : October 26, 2017.


Shahzada Ellahi Shaikh
Chairman


Muhammad Ahmad
CFO


Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter Ended	
	September 30 2017	September 30 2016
	Rupees	Rupees
Profit after taxation	17,924,780	25,366,860
Items that may be reclassified subsequently to profit and loss account		
Unrealized loss on remeasurement of available for sale investments	(20,682,166)	(723,766)
Total comprehensive (loss) / income for the period	(2,757,386)	24,643,094

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Lahore : October 26, 2017.

Shahzada Ellahi Shaikh
Chairman

Muhammad Ahmad
CFO

Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Quarter Ended	
	September 30 2017	September 30 2016
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	17,924,780	36,212,441
Adjustments for:		
Depreciation on property, plant and equipment	30,821,738	30,580,098
Amortization of intangible asset	309,999	309,999
Provision for employees retirement benefits	6,696,249	6,277,131
Gain on disposal of property, plant and equipment	(111,357)	(12,219)
Loss / (Gain) on sale of short term investments	6,837,852	(591,068)
Un-realized gain on re-measurement of short term investments	-	(602,287)
Interest / markup on borrowings	20,167,185	10,519,708
Dividend income	(858,510)	(575,000)
	<u>63,863,156</u>	<u>45,906,362</u>
	81,787,936	82,118,803
Changes in working capital		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	(22,525,882)	(1,378,118)
Stock-in-trade	(32,839,164)	150,145,533
Trade debts	125,822,041	46,091,177
Advances, prepayments and other receivables	51,917,906	6,449,394
	<u>122,374,901</u>	<u>201,307,986</u>
(Decrease) / increase in current liabilities:		
Trade and other payables	33,801,867	19,759,902
Cash generated from operations	<u>237,964,704</u>	<u>303,186,691</u>
(Payments made) / receipts of:		
Employees retirement benefits	(7,500,468)	(3,825,777)
Interest/mark-up on borrowings	(19,670,144)	(13,754,243)
Income taxes	(8,293,907)	(8,708,493)
Net cash generated from operating activities	<u>202,500,185</u>	<u>276,898,178</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(113,773,554)	(32,025,385)
Proceeds from disposal of property, plant and equipment	450,000	582,000
Purchase of short term investments	(19,204,694)	(237,235,507)
Proceeds from sale of short term investments	68,785,650	120,228,017
Dividend income	858,510	575,000
Net cash used in investing activities	<u>(62,884,088)</u>	<u>(147,875,875)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	148,443,886	27,197,247
Repayment of long term finances	(31,586,286)	(27,040,831)
Repayment of liabilities against assets subject to finance lease	-	(697,668)
Net decrease in short term borrowings	(232,067,536)	(240,056,373)
Net cash used in financing activities	<u>(115,209,936)</u>	<u>(240,597,625)</u>
Net increase / (decrease) in cash and cash equivalents	<u>24,406,161</u>	<u>(111,575,322)</u>
Cash and cash equivalents at beginning of the period	<u>15,939,035</u>	<u>176,195,561</u>
Cash and cash equivalents at end of the period	<u>40,345,196</u>	<u>64,620,239</u>

The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh
Chairman

Muhammad Ahmad
CFO

Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : October 26, 2017.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Share capital	Capital reserves		Revenue reserve	Total
	Issued, subscribed and paid up capital	Reserve on merger	Changes in Fair value of available for sale financial assets	Accumulated profit	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2016 (Audited)	109,500,000	7,760,000	452,161	1,300,769,538	1,418,481,699
Comprehensive income					
Profit after taxation	-	-	-	25,366,860	25,366,860
Other comprehensive loss	-	-	(723,766)	-	(723,766)
Total comprehensive (loss) / income	-	-	(723,766)	25,366,860	24,643,094
Balance as at September 30, 2016 (Un-audited)	109,500,000	7,760,000	(271,605)	1,326,136,398	1,443,124,793
Transaction with owners					
Final dividend for the year ended June 30, 2016 @ 35% i.e. Rs. 3.50 per ordinary share	-	-	-	(38,325,000)	(38,325,000)
Comprehensive income					
Profit after taxation	-	-	-	52,304,064	52,304,064
Other comprehensive income - net of tax	-	-	(10,232,793)	2,153,024	(8,079,769)
Total comprehensive income	-	-	(10,232,793)	54,457,088	44,224,295
Balance as at June 30, 2017 (Audited)	109,500,000	7,760,000	(10,504,398)	1,342,268,486	1,449,024,088
Comprehensive income					
Profit after taxation	-	-	-	17,924,780	17,924,780
Other comprehensive income	-	-	(20,682,166)	-	(20,682,166)
Total comprehensive income/(loss)	-	-	(20,682,166)	17,924,780	(2,757,386)
Balance as at September 30, 2017 (Un-audited)	109,500,000	7,760,000	(31,186,564)	1,360,193,266	1,446,266,702

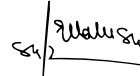
The annexed explanatory notes from 1 to 13 form part of the condensed interim financial information.



Shahzada Ellahi Shaikh
Chairman



Muhammad Ahmad
CFO



Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : October 26, 2017.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

1 LEGAL STATUS AND OPERATIONS

Ellicot Spinning Mills Limited ("the Company") was incorporated in Pakistan as Public Limited Company under the Companies Ordinance, 1984. The registered office of the Company is situated at Nagina House, 91-B-1 M. M Alam Road , Gulberg- III, Lahore. The Company is listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in manufacture and sale of yarn.

2 BASIS OF PREPARATION

The interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information report should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2017.

The comparative interim balance sheet as at June 30, 2017 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account, interim statement of profit or loss and other comprehensive income, interim cash flow statement, interim statement of changes in equity and related notes to the condensed interim financial information are stated from un-audited condensed interim financial information for the quarter ended September 30, 2016.

2.1 Statement of compliance

This condensed interim financial information of the Company for the Quarter ended September 30, 2017 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 Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value, certain financial liabilities at amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

2.3 Judgements, estimates and assumptions

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the annual financial statement of the Company for the year ended June 30, 2017.



ELLCOT SPINNING MILLS LIMITED

	Un-audited September 30 2017 Rupees	Audited June 30 2017 Rupees
4 LONG TERM FINANCES		
From Banking companies		
Opening Balance	566,909,450	627,884,775
Obtain during the period/ Year	148,443,886	52,148,841
Repayment made during the period / year	(31,586,286)	(113,124,166)
	683,767,050	566,909,450
Less: Current portion shown under current liabilities	(72,263,479)	(72,263,479)
	611,503,571	494,645,971
5 CONTINGENCIES AND COMMITMENTS		
5.1 Contingencies		
There is no significant change in status of contingencies as disclosed in note 16.1 to the annual financial statement for the year ended June 30, 2017, except of bills discounted.		
	Un-audited September 30 2017 Rupees	Audited June 30 2017 Rupees
5.2 Commitments		
Irrevocable letters of credit for import of		
Capital expenditures	1,160,995,689	1,165,518,505
Non-capital expenditures	31,842,714	69,509,716
	1,192,838,403	1,235,028,221
Operating Lease		
- payable with in one year	198,000	396,000
	1,193,036,403	1,235,424,221
6 FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets owned (Note 6.1)	1,226,722,314	1,162,585,962
Operating fixed assets Leased (Note 6.2)	-	-
	1,226,722,314	1,162,585,962
Intangible asset - Software	4,546,656	4,856,655
Capital work in progress (Note 6.3)	23,955,088	5,478,267
	1,255,224,058	1,172,920,884
6.1 Operating fixed assets - Owned		
Opening written down value	1,162,585,962	1,201,212,714
Additions during the period / year		
Building	-	3,479,103
Plant and machinery	94,801,375	81,871,181
Office equipment	161,300	1,828,358
Furniture and fixtures	334,058	212,770
Vehicles	-	6,294,499
	95,296,733	93,685,911
Written down value of property, plant and equipment transferred from leased assets	-	6,122,448
Written down value of property, plant and equipment disposed off	(338,643)	(12,617,868)
Depreciation charged during the period/year	(30,821,738)	(125,817,243)
Written down value at end of the period/year	1,226,722,314	1,162,585,962



ELLCOT SPINNING MILLS LIMITED

	Un-audited September 30 2017	Audited June 30 2017
	Rupees	Rupees
6.2 Operating fixed assets - Leased		
Opening written down value	-	6,267,508
Additions during the period / year	-	-
Written down value of property, plant and equipment transferred to own assets	-	(6,122,448)
Depreciation charged during the period/year	-	(145,060)
Written down value at end of the period/year	<u>-</u>	<u>-</u>
6.3 Capital work in progress		
Opening	5,478,267	-
Additions during the period / year	18,476,821	90,828,551
Transferred to own assets	-	(85,350,284)
Written down value at end of the period/year	<u>23,955,088</u>	<u>5,478,267</u>
	Quarter Ended (Un-audited)	
	September 30 2017	September 30 2016
	Rupees	Rupees
7 COST OF SALES		
Raw material consumed	872,975,319	733,500,563
Fuel and power	118,906,692	106,608,756
Stores, spares and loose tools consumed	39,020,920	38,209,774
Salaries, wages and benefits	93,938,311	97,647,489
Insurance	1,551,038	2,341,183
Repair and maintenance	2,530,543	2,425,964
Depreciation	29,093,231	28,717,874
Other manufacturing overheads	4,457,802	4,843,184
	1,162,473,856	1,014,294,787
Work-in-process:		
At beginning of period	46,147,798	53,273,667
At end of period	(45,656,585)	(60,816,900)
	<u>491,213</u>	<u>(7,543,233)</u>
Finished goods:		
At beginning of period	52,883,593	97,472,315
Purchases	-	3,247,050
At end of period	(113,495,185)	(159,024,175)
	<u>(60,611,592)</u>	<u>(58,304,810)</u>
	<u>1,102,353,477</u>	<u>948,446,744</u>

8 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and key management personnels of the Company. The Company in the normal course of business enters into transactions with various related parties. The transactions with related parties during the period generally consist of sales and purchases.

Nature and description of related party transactions during the period along with monetary values are as follows:

Nature of Relationship	Nature of Transaction	Quarter Ended (Un-audited)	
		September 30 2017	September 30 2016
		Rupees	Rupees
Associated companies	Purchase of goods and services	220,000	213,000
	Sale of goods and services	216,105,274	283,818,103
Key Management Personnel	Remuneration and other benefits	2,147,957	3,631,295

Transaction with related parties are carried out at arm's length in the normal course of business. The consideration is computed on commercial terms and conditions. There is no balance outstanding with or from associated undertakings, as at reporting date.

9 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments are carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data i.e.; (unobservable inputs).

The Following table presents the Funds / Company's financial assets which are carried at fair value:

	September 30, 2017			Total Rs
	Level 1 Rs	Level 2 Rs	Level 3 Rs	
Financial assets - at fair value through profit or loss	-	-	-	-
Financial assets - at fair value	26,015,000	-	-	26,015,000
Avaibale for sale				
- Listed equity securities	<u>442,926,525</u>	-	-	<u>442,926,525</u>
	<u>468,941,525</u>	-	-	<u>468,941,525</u>
	June 30, 2017			
	Level 1 Rs	Level 2 Rs	Level 3 Rs	Total Rs
Financial assets - at fair value through profit or loss	-	-	-	-
Financial assets - at fair value	27,644,085	-	-	27,644,085
Avaibale for sale				
- Listed equity securities	<u>518,398,414</u>	-	-	<u>518,398,414</u>
	<u>546,042,499</u>	-	-	<u>546,042,499</u>

At 30 September, 2017, the Company holds short term investments where the company has used Level 1 inputs for the measurement of fair values and there is no transfer between levels.

10 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2017.

11 DATE OF AUTHORIZATION FOR ISSUE

This un-audited condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on October 26, 2017.

12 OTHERS

The Board of directors in its meeting held on September 28, 2017, proposed to distribute to the shareholders of the Company, cash dividend at the rate of 35 percent (i.e. Rs.3.5/- per ordinary share). The dividend is subject to the approval by the shareholders of the Company in its forthcoming Annual General Meeting to be held on October 27, 2017.

13 CORRESPONDING FIGURES

Corresponding figures have been rearranged and regrouped where ever necessary for the purpose of comparison. However no significant changes have been made.

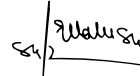
Figures have been rounded off to the nearest rupee.



Shahzada Ellahi Shaikh
Chairman



Muhammad Ahmad
CFO



Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : October 26, 2017.



ELLCOT SPINNING MILLS LIMITED

SHAREHOLDERS' INFORMATION

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

In accordance with Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that given bank mandate for dividend payments is MANDATORY and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following particulars directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS).

Detail of Bank Mandate	
Name of Shareholder	
Folio No. / CDC Account No.	
Cell Number of Shareholder	
Landline Number of Shareholder	
E-mail address	
Title of Bank Account of shareholder	
International Bank Account Number (IBAN) " Mandatory "	PK _____ (24 digits) (kindly provide your accurate IBAN after consulting with your respective bank branch, in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and Address	
Branch Code	
CNIC No. (copy attached)	
NTN (in case of Corporate Entity)	

It is stated that the above-mentioned information is correct, that I will intimate the changes in the above-mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the Shareholder



ELLCOT SPINNING MILLS LIMITED

In case of non-receipt of above information, the dividend shall be withheld.

Requirement of CNIC Number / National Tax Number (NTN) Certificate.

As has already notified from time to time, the Securities and Exchange Commission of Pakistan (SECP), vide Notification SRO 275(I)/2016 dated March 31, 2016 read with Notification SRO 19(I)/2014 dated January 10, 2014 and Notification SRO 831(I)2012 dated July 5, 2012 required that dividend warrants should bear Computerized National Identity Card (CNIC) number of the registered member.

Members who have not yet submitted copy of their valid Computerized National Identity Card (CNIC) / National Tax Number (NTN) Certificate (in case of Corporate Entity) are requested to submit the same at the earliest.

Copy of CNIC/NTN may be sent directly to the Share Registrar:

M/s Hameed Majeed Associates (Pvt.) Limited,
1st Floor, H.M. House,
7-Bank Square,
Lahore.
Ph # (+92-42) 37235081-82
Fax # (+92-42) 37358817

Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 ("Income Tax Ordinance").

Pursuant to the provisions of the Finance Act, 2017 with effect from July 1, 2017, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

- (a) Rate of tax deduction for filer of income tax returns @15%
- (b) Rate of tax deduction for non-filer of income tax returns @20%

All shareholders' of the Company who hold shares in physical form are therefore requested to send a valid copy of their CNIC (individuals) and NTN (Corporate entities) certificate to the Company's Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd. to allow the Company to ascertain the status of the shareholder.

Shareholders of the Company who hold shares in scrip-less form on Central Depository System (CDS) of Central Depository Company of Pakistan Ltd (CDC) are requested to send valid copies of their CNIC (individuals) and NTN (Corporate entities) certificate to their CDC Participants / CDC Investor Account Services.

Where the required documents are not submitted, the Company will be constrained to treat the non-complying shareholders as a non-filer thereby attracting a higher rate of withholding tax.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on "Filer/ Non-Filer" status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to immediately provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in writing, otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

If undelivered please return to:

ELLCOT SPINNING MILLS LTD.

Nagina House, 91-B-1, M.M. Alam Road,
Gulberg-III Lahore-54660