

**THIRD QUARTER REPORT
FOR THE PERIOD ENDED
MARCH 31, 2016
(Un-Audited)**



ELLCOT SPINNING MILLS LTD.



CONTENTS

Company Information	4
Directors' Report to the Members	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Profit or Loss and other Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Information	12



ELLCOT SPINNING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Shaikh Enam Ellahi Mr. Syed Moaz Mohiuddin Mr. Jamal Nasim (Nominee NIT) Mr. Shahzada Ellahi Shaikh Mr. Shaukat Ellahi Shaikh Mr. Amin Ellahi Shaikh Mr. Shafqat Ellahi Shaikh	Non-Executive Director / Chairman Independent Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Executive Director
MANAGING DIRECTOR (Chief Executive)	Mr. Shafqat Ellahi Shaikh	
AUDIT COMMITTEE	Mr. Syed Moaz Mohiuddin Mr. Shaukat Ellahi Shaikh Mr. Amin Ellahi Shaikh Mr. Syed Mohsin Gilani	Chairman Member Member Secretary
HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE	Mr. Amin Ellahi Shaikh Mr. Shaikh Enam Ellahi Mr. Shaukat Ellahi Shaikh Mr. Muhammad Azam	Chairman Member Member Secretary
EXECUTIVE COMMITTEE	Mr. Shaikh Enam Ellahi Mr. Shahzada Ellahi Shaikh Mr. Shaukat Ellahi Shaikh Mr. Shafqat Ellahi Shaikh Mr. Muhammad Azam	Chairman Member Member Member Secretary
CORPORATE SECRETARY	Mr. Syed Mohsin Gilani	
CHIEF FINANCIAL OFFICER (CFO)	Mr. Muhammad Ahmad	
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. 1 st Floor, H.M. House 7-Bank Square, Lahore Phone # 042 -37235081 -2 Fax # 042 -37358817	
MILLS	6.3 K.M, Manga Mandi, Raiwind Road Mouza Rossa, Tehsil & District Kasur.	



DIRECTORS' REPORT TO THE MEMBERS

*IN THE NAME OF ALLAH THE MOST GRACIOUS
THE MOST BENEVOLENT THE MOST MERCIFUL*

The Directors are pleased to present the un-audited condensed interim financial information of the company for the third quarter ended on March 31, 2016. The comparative figures for the corresponding quarter ended on March 31, 2015 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2015.

Company Performance

Alhamdulillah, despite tough business environment, Company earned after tax profit of Rs.18,101,606 or 1.74% of sales for the quarter ended March 31, 2016 compared to Rs.19,256,845 or 1.78% of sales for the corresponding period of previous year. Earning per share (EPS) for the period is Rs. 1.65 compared to Rs. 1.76 for the corresponding period of previous year.

Sales for the quarter under review is Rs.1,041,988,510 compared to Rs.1,081,051,721 during the corresponding period of previous year. Depressed yarn market resulted in lower sales revenue by 3.61%. However, cost of sales well compensated and stood at Rs.966,354,099 or 92.74% of sales compared to Rs.1,004,489,491 or 92.92% of sales during the corresponding quarter of previous year. This was due to efficient procurement of raw material and reduction in energy costs thanks to significant fall in global crude oil prices. Gross Profit for the quarter stood at Rs.75,634,411 or 7.26% of sales compared to Rs.76,562,230 or 7.08% of sales during the corresponding quarter.

Distribution cost during the quarter under review stood at 1% of sales compared to 1.06% of sales in the last year corresponding period. Administrative expenses increased by 9.04% over the corresponding quarter of previous year due to inflationary impact.

The Company has been able to generate stable cash flows and discharged all its operating and financial liabilities in time. Finance cost slightly increased by 2.52% over the corresponding quarter of last year. This was mainly due to bulk purchase of raw materials which caused increase in short term borrowing cost.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2015-16, Kapas, (seed cotton) arrivals upto April 01, 2016, at the Gineries totaled 9.762 million bales compared to 14.839 million bales for similar period of the year 2014-15 showing decrease in arrival by 34.21%.

Future Outlook

Overall textile spinning sector is passing through torrid times because of low demand and depressed unit prices. However, Alhamdulillah, we have managed to remain profitable because of better product mix, vigorous cost controls, lower energy costs due to drop in global oil prices. We are hopeful to remain profitable in the last quarter and for the financial year. Pak Rupee has maintained a continued stable exchange rate trend against the greenback. This exchange rate stability has significantly strained the exports of the country. Company is employing policies of vigorous cost controls, further diversification in its product mix, searching new markets, in order to face the current challenges. Government is also expected to support the industry by granting prompt tax refunds, providing sufficient gas to operate the mills, zero rating of textile exports. Further, government should release the promised technology up-gradation fund which is long awaited.

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.

Shaikh Enam Ellahi
Chairman

Lahore : April 26, 2016.



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

	Note	Un-Audited March 31 2016 Rupees	Audited June 30 2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 20,000,000 (June 30, 2015: 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 reserve		1,506,646	7,760,000
Accumulated profit		<u>1,256,552,338</u>	<u>1,267,426,918</u>
Total equity		1,367,558,984	1,384,686,918
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances		288,826,650	355,408,312
Liabilities against assets subject to finance lease		-	1,018,110
Employees retirement benefits		51,864,926	54,593,956
Deferred taxation		<u>78,901,740</u>	<u>78,901,740</u>
		419,593,316	489,922,118
CURRENT LIABILITIES			
Trade and other payables		308,025,033	270,309,275
Accrued interest / mark-up		9,798,622	10,442,857
Short term borrowings		449,909,800	146,091,234
Current portion of non current liabilities		<u>81,194,820</u>	<u>76,069,777</u>
		848,928,275	502,913,143
TOTAL LIABILITIES		1,268,521,591	992,835,261
CONTINGENCIES AND COMMITMENTS	4	-	-
TOTAL EQUITY AND LIABILITIES		<u>2,636,080,575</u>	<u>2,377,522,179</u>

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Mg. Director (Chief Executive) who for the time being is not in the country.

Shahzada Ellahi Shaikh
Director

Lahore : April 26, 2016.



ELLCOT SPINNING MILLS LIMITED

	Note	Un-Audited March 31 2016 Rupees	Audited June 30 2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	1,028,733,339	1,020,168,306
Long term deposits		7,090,700	7,090,700
		<u>1,035,824,039</u>	<u>1,027,259,006</u>
CURRENT ASSETS			
Stores, spares and loose tools		32,907,809	49,814,587
Stock-in-trade		915,203,633	668,865,762
Trade debts		213,108,348	216,902,704
Advances, prepayments and other receivables		282,682,762	42,242,332
Short term investments	6	40,529,000	170,494,039
Advance income tax		60,619,688	53,269,145
Cash and bank balances		55,205,296	148,674,604
		<u>1,600,256,536</u>	<u>1,350,263,173</u>
TOTAL ASSETS		<u><u>2,636,080,575</u></u>	<u><u>2,377,522,179</u></u>


Amin Ellahi Shaikh
Director



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Note	Nine Months Ended		Quarter Ended	
		March 31	March 31	March 31	March 31
		2016	2015	2016	2015
		Rupees	Rupees	Rupees	Rupees
Sales-net		3,065,860,368	3,541,756,804	1,041,988,510	1,081,051,721
Cost of sales	7	(2,875,678,904)	(3,318,758,747)	(966,354,099)	(1,004,489,491)
Gross profit		190,181,464	222,998,057	75,634,411	76,562,230
Distribution cost		(34,699,372)	(38,334,473)	(10,415,893)	(11,475,684)
Administrative expenses		(66,743,980)	(62,194,346)	(22,869,708)	(20,972,915)
Other operating expenses		(5,385,784)	(7,739,624)	(2,473,528)	(1,871,595)
		(106,829,136)	(108,268,443)	(35,759,129)	(34,320,194)
		83,352,328	114,729,614	39,875,282	42,242,036
Other income		9,706,341	5,766,562	432,937	408,794
Operating profit		93,058,669	120,496,176	40,308,219	42,650,830
Finance cost		(34,389,801)	(45,021,429)	(12,819,626)	(12,504,476)
Profit before taxation		58,668,868	75,474,747	27,488,593	30,146,354
Provision for taxation		(31,218,448)	(35,968,011)	(9,386,987)	(10,889,509)
Profit after taxation		27,450,420	39,506,736	18,101,606	19,256,845
Earnings per share - basic and diluted		2.51	3.61	1.65	1.76

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Mg. Director (Chief Executive) who for the time being is not in the country.

Lahore : April 26, 2016.


 Shahzada Ellahi Shaikh
 Director


 Amin Ellahi Shaikh
 Director

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

FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Nine Months Ended		Quarter Ended	
	March 31 2016 Rupees	March 31 2015 Rupees	March 31 2016 Rupees	March 31 2015 Rupees
Profit after taxation	27,450,420	39,506,736	18,101,606	19,256,845
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss				
Unrealised loss on remeasurement of available for sale investments	(6,253,354)	-	(114,022)	-
Total comprehensive income for the period	<u>21,197,066</u>	<u>39,506,736</u>	<u>17,987,584</u>	<u>19,256,845</u>

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Mg. Director (Chief Executive) who for the time being is not in the country.

Lahore : April 26, 2016.

Shahzada Ellahi Shaikh
Director

Amin Ellahi Shaikh
Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Nine Months Ended	
	March 31 2016	March 31 2015
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,668,868	75,474,747
Adjustments for:		
Depreciation on property, plant and equipment	77,033,326	77,324,286
Provision for employees retirement benefits	6,526,420	6,538,258
(Gain) / Loss on disposal of property, plant and equipment	(156,992)	1,107,367
Gain on sale of short term investments	(7,947,604)	(4,904,187)
Interest / markup on borrowings	31,871,847	40,357,192
Dividend Income	(975,000)	-
	106,351,997	120,422,916
	165,020,865	195,897,663
Changes in working capital		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	16,906,778	(18,149,697)
Stock-in-trade	(246,337,871)	(303,665,279)
Trade debts	3,794,356	100,574,915
Advances, prepayments and other receivables	(240,440,430)	(112,214,988)
	(466,077,167)	(333,455,049)
Increase in current liabilities:		
Trade and other payables	37,393,120	41,373,247
Cash used in operations	(263,663,182)	(96,184,139)
(Payments made) / receipts of:		
Employees retirement benefits	(9,255,452)	(8,364,238)
Interest/mark-up on borrowings	(32,516,082)	(36,176,837)
Income taxes	(38,568,991)	(33,914,998)
Net cash used in operating activities	(344,003,707)	(174,640,212)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(86,999,540)	(11,750,313)
Proceeds from disposal of property, plant and equipment	1,558,173	6,109,468
Purchase of short term investments	(650,836,248)	(410,000,000)
Proceeds from sale of short term investments	782,495,539	394,901,001
Dividend Income	975,000	-
Net cash (used in) / generated from investing activities	47,192,924	(20,739,844)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finances	(59,540,831)	(31,250,000)
Repayment of liabilities against assets subject to finance lease	(2,933,898)	(2,632,940)
Net Increase in short term borrowings	303,818,566	371,078,505
Dividend paid	(38,002,362)	(76,029,374)
Net cash generated from financing activities	203,341,475	261,166,191
Net (decrease) / increase in cash and cash equivalents	(93,469,308)	65,786,135
Cash and cash equivalents at beginning of the period	148,674,604	133,268,673
Cash and cash equivalents at end of the period	55,205,296	199,054,808

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Mg. Director (Chief Executive) who for the time being is not in the country.

Lahore : April 26, 2016.


Shahzada Ellahi Shaikh
Director


Amin Ellahi Shaikh
Director



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Issued, subscribed and paid up share capital	Capital reserve		Revenue Reserve	Total
		Amalgamation reserve	Fair value reserve	Accumulated profit	
				Rupees	
Balance as at June 30, 2014 - Audited	109,500,000	7,760,000	-	1,290,282,692	1,407,542,692
Comprehensive income					
Profit after taxation	-	-	-	39,506,736	39,506,736
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	39,506,736	39,506,736
Transactions with owners					
Final dividend for the year ended June 30, 2014 @ 70% i.e. Rs. 7.00 per ordinary share	-	-	-	(76,650,000)	(76,650,000)
Balance as at March 31, 2015 - Un-audited	109,500,000	7,760,000	-	1,253,139,428	1,370,399,428
Comprehensive income					
Profit after taxation	-	-	-	14,791,992	14,791,992
Other comprehensive income	-	-	-	(504,502)	(504,502)
Total comprehensive income	-	-	-	14,287,490	14,287,490
Balance as at June 30, 2015 - Audited	109,500,000	7,760,000	-	1,267,426,918	1,384,686,918
Comprehensive income					
Profit after taxation	-	-	-	27,450,420	27,450,420
Other comprehensive loss	-	-	(6,253,354)	-	(6,253,354)
Total comprehensive income	-	-	(6,253,354)	27,450,420	21,197,066
Transactions with owners					
Final dividend for the year ended June 30, 2015 @ 35% i.e. Rs. 3.50 per ordinary share	-	-	-	(38,325,000)	(38,325,000)
Balance as at March 31, 2016 Un-audited	109,500,000	7,760,000	(6,253,354)	1,256,552,338	1,367,558,984

The annexed explanatory notes from 1 to 12 form part of the condensed interim financial information.

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Mg. Director (Chief Executive) who for the time being is not in the country.

Lahore : April 26, 2016.

Shahzada Ellahi Shaikh
Director

Amin Ellahi Shaikh
Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTH ENDED MARCH 31, 2016

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 should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2015.

The comparative interim balance sheet as at June 30, 2015 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 and 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 nine month ended March 31, 2015.

2.1 Statement of compliance

This condensed interim financial information 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 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

3.1 Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2015, which do not have any impact on this condensed interim financial information except for IFRS 13 "Fair Value Measurement".

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding items which should be measured or disclosed at fair value. The scope of IFRS 13 is broad: it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard does not have an impact on this condensed interim financial information except certain additional disclosures as given in note 9.

3.2 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2015, except for the following new accounting policies for transactions, other events and conditions that did not occur previously.



ELLCOT SPINNING MILLS LIMITED

Available for sale financial assets

Investment in equity securities which are acquired for an indefinite period are classified as 'available for sale financial assets'. On initial recognition, these are measured at cost, being their fair value on the date of acquisition plus attributable transaction costs. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized as other comprehensive income until the investment is derecognized or impaired. Gains and losses on de-recognition and impairment losses are recognized in profit and loss account.

Regular way purchases and sales of financial assets

All regular way purchases and sales of financial assets are recognized on trade date. Regular way purchases or sales of financial assets are those contracts which require delivery of assets within the time frame generally established by the regulation or convention in the market.

Investment in equity securities

Investment in equity securities, which are acquired for an indefinite period and may be sold in response to liquidity needs or changes in market prices, are classified as 'available for sale financial assets'. On initial recognition, these are measured at cost, being their fair value on the date of acquisition plus attributable transaction costs. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized as other comprehensive income until the investment is derecognized or impaired. Gains and losses on de-recognition and impairment losses are recognized in income statement.

4 CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

There is no significant change in status of contingencies since June 30, 2015, with the exception of bills discounted which amount to Rs. 20,293,455/- (June 30, 2015: Rs. 69,935,560) as at the reporting date.

4.2 Commitments

Irrevocable letters of credit for

Capital expenditures

Non-capital expenditures

Operating Lease

- payable with in one year

	Un-audited March 31 2016 Rupees	Audited June 30 2015 Rupees
	175,252,697	128,447,100
	221,847,405	105,151,392
	397,100,102	233,598,492
	165,000	330,000
	<u>397,265,102</u>	<u>233,928,492</u>

5 FIXED ASSETS

Property, plant and equipment

- Owned (Note 5.1)

- Leased (Note 5.2)

Intangible asset under development - software

	1,005,428,316	996,094,505
	9,481,597	10,250,375
	1,014,909,913	1,006,344,880
	13,823,426	13,823,426
	<u>1,028,733,339</u>	<u>1,020,168,306</u>



ELLCOT SPINNING MILLS LIMITED

	Un-audited March 31 2016	Audited June 30 2015
	Rupees	Rupees
5.1 Operating fixed assets - Owned		
Opening written down value	996,094,505	985,348,135
Additions during the period / year		
Non Factory building	-	1,271,006
Plant and machinery	76,146,390	107,827,507
Electric installations and equipment	-	2,200,000
Office equipment	423,150	2,845,016
Furniture and fixtures	316,000	-
Vehicles	10,114,000	4,882,500
	86,999,540	119,026,029
Net book value of assets disposed during the period/year	(1,401,181)	(7,713,134)
Depreciation for the period/year	(76,264,548)	(100,566,525)
Written down value at end of the period/year	<u>1,005,428,316</u>	<u>996,094,505</u>
5.2 Operating fixed assets - Leased		
Net book value at the beginning of the period/year	10,250,375	11,389,306
Depreciation charged during the period/year	(768,778)	(1,138,931)
Written down value at end of the period/year	<u>9,481,597</u>	<u>10,250,375</u>
6 SHORT TERM INVESTMENTS		
Available for Sale (Note 6.1)	40,529,000	-
Held for trading (Note 6.2)	-	170,494,039
	<u>40,529,000</u>	<u>170,494,039</u>

- 6.1 This represents investment in listed equity shares.
6.2 This represents investment in mutual funds units.

7 COST OF SALES

	Nine Months Ended (Un-audited)		Quarter Ended (Un-audited)	
	March 31	March 31	March 31	March 31
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
Raw material consumed	2,073,608,347	2,471,393,761	718,344,007	754,672,675
Fuel and power	289,601,776	419,837,545	76,548,377	108,372,956
Stores, spares and loose tools consumed	117,390,096	125,338,376	36,955,404	36,134,560
Salaries, wages and benefits	232,156,191	219,290,062	74,214,229	76,015,799
Insurance	7,019,470	7,031,582	2,306,956	2,397,584
Repair and maintenance	7,769,424	6,437,255	2,753,217	2,379,380
Depreciation	71,690,935	71,426,058	24,304,659	23,740,630
Other manufacturing overheads	10,925,500	9,244,331	4,231,732	2,791,674
	2,810,161,739	3,329,998,970	939,658,581	1,006,505,258
Work-in-process:				
At beginning of period	46,147,113	46,327,710	54,855,841	46,457,504
At end of period	(52,296,785)	(52,929,393)	(52,296,785)	(52,929,393)
	(6,149,672)	(6,601,683)	2,559,056	(6,471,889)
	2,804,012,067	3,323,397,287	942,217,637	1,000,033,369
Finished stocks:				
At beginning of period	40,271,540	24,300,229	66,810,195	33,394,891
Purchases	74,069,030	-	-	-
At end of period	(42,673,733)	(28,938,769)	(42,673,733)	(28,938,769)
	71,666,837	(4,638,540)	24,136,462	4,456,122
	<u>2,875,678,904</u>	<u>3,318,758,747</u>	<u>966,354,099</u>	<u>1,004,489,491</u>

8 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and key management persons 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.



ELLCOT SPINNING MILLS LIMITED

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

Nature of Relationship	Nature of Transaction	Nine Months Ended (Un-audited)	
		March 31	March 31
		2016	2015
		Rupees	Rupees
Associated companies	Purchase of goods and services	76,434,264	2,217,525
	Sale of goods and services	782,829,511	1,170,906,813
	Dividend paid	9,322,114	18,644,227
Key Management Personnel	Remuneration and other benefits	10,592,007	9,852,791
	Dividend paid to directors and their family members	17,969,434	35,938,868

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

The table below analyses financial instruments 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 (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

	March 31, 2016			
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Fair value through profit or loss				
- Held for trading	-	-	-	-
Financial assets - at fair value				
Available for sale				
- Listed equity securities	40,529,000	-	-	40,529,000
	<u>40,529,000</u>	<u>-</u>	<u>-</u>	<u>40,529,000</u>
	June 30, 2015			
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Fair value through profit or loss				
- Held for trading	170,494,039	-	-	170,494,039
Financial assets - at fair value				
Available for sale				
- Listed equity securities	-	-	-	-
	<u>170,494,039</u>	<u>-</u>	<u>-</u>	<u>170,494,039</u>

10 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 April 26, 2016.

11 OTHERS

There are no other significant activities since June 30, 2015 affecting the condensed interim financial information.

12 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.

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Mg. Director (Chief Executive) who for the time being is not in the country.

Lahore : April 26, 2016.

Shahzada Ellahi Shaikh
Director

Amin Ellahi Shaikh
Director

BOOK POST

**PRINTED MATTER
U.P.C**

If undelivered please return to:

ELLCOT SPINNING MILLS LTD.

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