

**THIRD QUARTER REPORT  
FOR THE PERIOD ENDED  
MARCH 31, 2015  
(Un-Audited)**



**ELLCOT SPINNING MILLS LTD.**





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# 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 Bak 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](http://www.nagina.com)

### SHARE REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.  
1<sup>st</sup> 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, 2015. The comparative figures for the corresponding quarter ended on March 31, 2014 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2014.

### Company Performance

During the period under review, sales revenue stood at Rs. 1,081,051,721 compared to Rs. 1,414,289,561 showing decrease of 23.56% over the corresponding quarter of previous year. This was due to fall in selling prices of yarn and overall sluggish demand owing to recessionary environment in local as well as in international markets. Cost of sales decreased by 24.24% in comparison to corresponding period of last year. This reduction in cost is mainly due to falling raw material prices. In addition in the quarter under review company also benefitted from lower energy costs. G.P stood at 7.08% of sales in comparison to 6.25% (restated) of the last year. However, because of reductions in operating values G.P amount has dropped by 13.42% over the corresponding period of last year.

Operating expenses are showing upward trends and stood at 3.17% of sales in comparison to 2.51% of the corresponding period of last year. This percentage increase is mainly due to fixed nature of expenses.

The company has been able to generate stable cash flows and discharged all its operating and financial liabilities in time. Due to better borrowing patterns finance cost reduced to Rs. 12,504,476 as compared to Rs. 24,418,599 showing reduction of 48.79% over corresponding period of previous year.

The company earned profit after tax of Rs. 19,256,845 or 1.78% of sales compared to Rs. 24,639,985 or 1.74% (restated) of sales for the corresponding period of previous year. Earning per share (EPS) for the period is Rs. 1.76 compared to Rs. 2.25 (restated) for the corresponding period of previous year.

### Future Outlook

Overall industry is facing sheer recession and is forced to make distressed sales in order to avoid inventory pileups. We foresee more or less similar operating scenario in the last quarter of the year. Pak Rupee continued to remain stable which is pushing us in disadvantage in comparison to our peer competing countries. However, during this tough operating environment we have benefitted from reduced energy costs because of lower crude oil prices. Interest rates are also showing downward trends due to monetary easing by State Bank of Pakistan on account of low inflation numbers. Cotton and synthetic fibre prices in Pakistan and the rest of the world appear to have bottomed out and are showing stability. It is hoped that the decline in the overall inflation rate in Pakistan will help to curtail costs of production. Management is continuing to apply policy of strict cost control, seeking different saving avenues, aggressive marketing and production of value added products to keep the company profitable.

### Acknowledgement

Despite adverse conditions profitable results have been possible due to continued diligence and devotion of the staff and workers of the company and 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.

Shafqat Ellahi Shaikh  
Mg. Director (Chief Executive)

Lahore : April 23, 2015.



# ELLCOT SPINNING MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

	Note	Un-Audited March 31 2015 Rupees	Audited June 30 2014 Rupees (restated)	Audited June 30 2013 Rupees (restated)
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Authorized capital 20,000,000 (June 30, 2014: 20,000,000) ordinary shares of Rs. 10 each		<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up capital		109,500,000	109,500,000	109,500,000
Capital reserve		7,760,000	7,760,000	7,760,000
Accumulated profit		<u>1,253,139,428</u>	<u>1,290,282,692</u>	<u>1,101,962,581</u>
Total equity		<u>1,370,399,428</u>	<u>1,407,542,692</u>	<u>1,219,222,581</u>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Long term finances	4	294,949,143	327,449,143	294,826,393
Liabilities against assets subject to finance lease		2,138,561	5,089,192	8,927,987
Employees retirement benefits		44,643,105	46,469,085	36,797,059
Deferred taxation		<u>73,524,823</u>	<u>73,524,823</u>	<u>75,138,055</u>
		415,255,632	452,532,243	415,689,494
<b>CURRENT LIABILITIES</b>				
Trade and other payables		256,761,418	214,767,545	245,106,852
Accrued interest / mark-up		12,100,649	7,920,294	10,729,631
Short term borrowings		588,737,148	217,658,643	160,781,337
Current portion of non current liabilities		<u>67,596,276</u>	<u>66,028,585</u>	<u>101,571,999</u>
		925,195,491	506,375,067	518,189,819
TOTAL LIABILITIES		<u>1,340,451,123</u>	<u>958,907,310</u>	<u>933,879,313</u>
CONTINGENCIES AND COMMITMENTS	5	-	-	-
TOTAL EQUITY AND LIABILITIES		<u>2,710,850,551</u>	<u>2,366,450,002</u>	<u>2,153,101,894</u>

The annexed explanatory notes from 1 to 11 form part of the condensed interim financial information.

Lahore : April 23, 2015.

Shahzada Ellahi Shaikh  
Director



# ELLCOT SPINNING MILLS LIMITED

	Note	Un-Audited March 31 2015 Rupees	Audited June 30 2014 Rupees (restated)	Audited June 30 2013 Rupees (restated)
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed assets	6	938,731,921	1,011,522,729	1,002,596,544
Long term deposits		7,090,700	7,090,700	7,090,700
		945,822,621	1,018,613,429	1,009,687,244
<b>CURRENT ASSETS</b>				
Stores, spares and loose tools		51,861,603	33,711,906	48,681,445
Stock-in-trade		1,072,475,515	768,810,236	665,747,041
Trade debts		210,100,831	310,675,746	200,969,718
Advances, prepayments and other receivables		190,540,518	78,325,530	90,109,984
Short term investments		20,003,186	-	-
Advance income tax		20,991,469	23,044,482	32,813,872
Cash and bank balances		199,054,808	133,268,673	105,092,590
		1,765,027,930	1,347,836,573	1,143,414,650
<b>TOTAL ASSETS</b>		<b>2,710,850,551</b>	<b>2,366,450,002</b>	<b>2,153,101,894</b>

  
 Shafqat Ellahi Shaikh  
 Mg. Director (Chief Executive)



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Note	Nine Months Ended		Quarter Ended	
		March 31 2015	March 31 2014	March 31 2015	March 31 2014
		Rupees	Rupees (restated)	Rupees	Rupees (restated)
Sales-net		3,541,756,804	4,487,270,157	1,081,051,721	1,414,289,561
Cost of sales	7	(3,318,758,747)	(4,001,972,585)	(1,004,489,491)	(1,325,863,094)
Gross profit		222,998,057	485,297,572	76,562,230	88,426,467
Distribution cost		(38,334,473)	(51,662,301)	(11,475,684)	(15,615,889)
Administrative expenses		(62,194,346)	(52,740,305)	(20,972,915)	(17,680,508)
Other operating expenses		(7,739,624)	(20,017,516)	(1,871,595)	(2,208,223)
		(108,268,443)	(124,420,122)	(34,320,194)	(35,504,620)
		114,729,614	360,877,450	42,242,036	52,921,847
Other income		5,766,562	4,294,842	408,794	431,753
Operating profit		120,496,176	365,172,292	42,650,830	53,353,600
Finance cost		(45,021,429)	(65,224,834)	(12,504,476)	(24,418,599)
Profit before taxation		75,474,747	299,947,458	30,146,354	28,935,001
Provision for taxation		(35,968,011)	(47,559,015)	(10,889,509)	(4,295,016)
Profit after taxation		39,506,736	252,388,443	19,256,845	24,639,985
Earnings per share - basic and diluted		3.61	23.05	1.76	2.25

The annexed explanatory notes from 1 to 11 form part of the condensed interim financial information.

Lahore : April 23, 2015.

  
Shahzada Ellahi Shaikh  
Director

  
Shafqat Ellahi Shaikh  
Mg. Director (Chief Executive)





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

FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Nine Months Ended		Quarter Ended	
	March 31 2015	March 31 2014	March 31 2015	March 31 2014
	Rupees	Rupees (restated)	Rupees	Rupees (restated)
Profit after taxation	39,506,736	252,388,443	19,256,845	24,639,985
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>39,506,736</u>	<u>252,388,443</u>	<u>19,256,845</u>	<u>24,639,985</u>

The annexed explanatory notes from 1 to 11 form part of the condensed interim financial information.

Lahore : April 23, 2015.

Shahzada Ellahi Shaikh  
Director

Shafqat Ellahi Shaikh  
Mg. Director (Chief Executive)



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Nine Months Ended	
	March 31 2015	March 31 2014
	Rupees	Rupees (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	75,474,747	299,947,458
Adjustments for:		
Depreciation on property, plant and equipment	77,324,286	78,026,359
Provision for employees retirement benefits	6,538,258	6,535,841
(Gain) / Loss on disposal of property, plant and equipment	1,107,367	64,155
Gain on sale of short term investments	(4,904,187)	(2,619,544)
Interest / markup on borrowings	40,357,192	56,943,779
	120,422,916	138,950,590
Changes in working capital	195,897,663	438,898,048
Decrease / (increase) in current assets:		
Stores, spares and loose tools	(18,149,697)	13,824,557
Stock-in-trade	(303,665,279)	(700,976,101)
Trade debts	100,574,915	(3,827,868)
Advances, prepayments and other receivables	(112,214,988)	26,869,561
	(333,455,049)	(664,109,851)
(Decrease) / increase in current liabilities:		
Trade and other payables	41,373,247	5,766,211
Cash used in operations	(96,184,139)	(219,445,592)
(Payments made) / receipts of:		
Employees retirement benefits	(8,364,238)	(7,448,713)
Interest/mark-up on borrowings	(36,176,837)	(55,305,535)
Income taxes	(33,914,998)	(35,438,968)
Net cash used in operating activities	(174,640,212)	(317,638,808)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,750,313)	(116,216,903)
Proceeds from disposal of property, plant and equipment	6,109,468	7,667,330
Purchase of short term investments	(410,000,000)	(298,000,000)
Proceeds from sale of short term investments	394,901,001	300,619,544
Net cash used in investing activities	(20,739,844)	(105,930,029)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	-	92,346,882
Repayment of long term finances	(31,250,000)	(62,636,641)
Repayment of liabilities against assets subject to finance lease	(2,632,940)	(7,172,426)
Net increase in short term borrowings	371,078,505	428,120,561
Dividend paid	(76,029,374)	(108,456,051)
Net cash generated from financing activities	261,166,191	342,202,325
Net increase / (decrease) in cash and cash equivalents	65,786,135	(81,366,512)
Cash and cash equivalents at beginning of the period	133,268,673	105,092,590
Cash and cash equivalents at end of the period	199,054,808	23,726,078

The annexed explanatory notes from 1 to 11 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh  
Director

Lahore : April 23, 2015.

Shafqat Ellahi Shaikh  
Mg. Director (Chief Executive)



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Issued, subscribed and paid up share capital	Capital reserve	Accumulated profit	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2013 - Audited	109,500,000	7,760,000	1,134,135,737	1,251,395,737
Change in accounting policy	-	-	(32,173,156)	(32,173,156)
Balance as at June 30, 2013 - Audited (restated)	109,500,000	7,760,000	1,101,962,581	1,219,222,581
Comprehensive income				
Profit after taxation (restated)	-	-	252,388,443	252,388,443
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income (restated)	-	-	252,388,443	252,388,443
Transactions with owners				
Final dividend for the year ended June 30, 2013 @ 100% i.e. Rs. 10.00 per ordinary share	-	-	(109,500,000)	(109,500,000)
Balance as at March 31, 2014 - Un-audited (restated)	109,500,000	7,760,000	1,244,851,024	1,362,111,024
Comprehensive income				
Profit after taxation (restated)	-	-	45,182,242	45,182,242
Other comprehensive income - net of tax	-	-	249,426	249,426
Total comprehensive income (restated)	-	-	45,431,668	45,431,668
Balance as at June 30, 2014 - Audited (restated)	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 - net of tax	-	-	-	-
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

The annexed explanatory notes from 1 to 11 form part of the condensed interim financial information.

Shahzada Ellahi Shaikh  
Director

Shafqat Ellahi Shaikh  
Mg. Director (Chief Executive)

Lahore : April 23, 2015.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTH ENDED MARCH 31, 2015

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 Karachi Stock Exchange Limited and Lahore 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, 2014.

The comparative interim balance sheet as at June 30, 2014 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, 2014.

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 SIGNIFICANT ACCOUNTING POLICIES

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 the financial information of the Company for the year ended June 30, 2014. except for the change referred to in note 3.1.

3.1 During the period, the Company has changed its accounting policy for valuation of raw material to the extent of determination of cost. Previously, cost of raw material was determined using the 'first-in-first out' method. After the change, cost of raw material is determined on 'weighted average cost' basis. The policy regarding valuation of stock in trade at lower of cost and net realizable value remains unchanged. Management is of the view that this policy gives more fairer presentation of the results and the financial position of the Company. The change has been applied retrospectively by adjusting the accumulated profits as at June 30, 2013 and June 30, 2014. Had there been no change, accumulated profits as at the reporting date would have been higher by Rs. 1,258,337.



# ELLCOT SPINNING MILLS LIMITED

	Un-audited March 31 2015 Rupees	Audited June 30 2014 Rupees
<b>4 LONG TERM FINANCES</b>		
From Banking companies		
Opening Balance	389,949,143	388,713,034
Obtain during the period	-	77,449,143
Repayment made during the period / year	(31,250,000)	(76,213,034)
	<u>358,699,143</u>	<u>389,949,143</u>
Less: Current portion shown under current liabilities	(63,750,000)	(62,500,000)
	<u>294,949,143</u>	<u>327,449,143</u>
<b>5 CONTINGENCIES AND COMMITMENTS</b>		
<b>5.1 Contingencies</b>		
There is no significant change in status of contingencies since June 30, 2014, with the exception of bills discounted which amount to Rs. 41,035,130/- (June 30, 2014: Rs. 5,4437,622) as at the reporting date.		
	Un-audited March 31 2015 Rupees	Audited June 30 2014 Rupees
<b>5.2 Commitments</b>		
Irrevocable letters of credit for import of		
Capital expenditures	104,710,160	-
Non-capital expenditures	28,923,954	96,001,587
	133,634,114	96,001,587
Operating Lease		
- payable with in one year	165,000	300,000
	<u>133,799,114</u>	<u>96,301,587</u>
<b>6 FIXED ASSETS</b>		
Property, plant and equipment		
- Owned (Note 6.1)	914,373,387	985,348,135
- Leased (Note 6.2)	10,535,108	11,389,306
	924,908,495	996,737,441
Intangible asset under development - software	13,823,426	14,785,288
	<u>938,731,921</u>	<u>1,011,522,729</u>
<b>6.1 Operating fixed assets - Owned</b>		
Opening written down value	985,348,135	970,594,146
Additions during the period / year		
Factory Building	1,271,006	3,364,017
Plant and machinery	1,120,000	95,287,387
Factory equipment	2,593,654	-
Office equipment	2,845,015	514,456
Vehicles	4,882,500	8,593,900
	12,712,175	107,759,760
Net book value of assets transferred from leased assets during the period/year	-	17,757,086
Net book value of assets disposed during the period/year	(7,216,835)	(7,731,485)
Depreciation charged during the period/year	(76,470,088)	(103,031,372)
Written down value at end of the period/year	<u>914,373,387</u>	<u>985,348,135</u>



# ELLCOT SPINNING MILLS LIMITED

	Un-audited March 31 2015 Rupees	Audited June 30 2014 Rupees
6.2 Operating fixed assets - Leased		
Opening written down value	11,389,306	32,002,398
Net book value of assets transferred to owned assets during the period/year	-	(17,757,086)
Depreciation charged during the period/year	(854,198)	(2,856,006)
Written down value at end of the period/year	<u>10,535,108</u>	<u>11,389,306</u>

7 COST OF SALES	Nine Months Ended (Un-audited)		Quarter Ended (Un-audited)	
	March 31 2015 Rupees	March 31 2014 Rupees (restated)	March 31 2015 Rupees	March 31 2014 Rupees (restated)
	Raw material consumed	2,471,393,761	3,072,718,305	754,672,675
Fuel and power	419,837,545	432,065,263	108,372,956	149,439,904
Stores, spares and loose tools consumed	125,338,376	142,366,156	36,134,560	48,591,723
Salaries, wages and benefits	219,290,062	202,814,560	76,015,799	66,221,042
Insurance	7,031,582	8,678,318	2,397,584	3,399,393
Repair and maintenance	6,437,255	4,850,628	2,379,380	1,423,260
Depreciation	71,426,058	75,685,568	23,740,630	26,358,015
Other manufacturing overheads	9,244,331	12,006,713	2,791,674	3,131,554
	<u>3,329,998,970</u>	<u>3,951,185,511</u>	<u>1,006,505,258</u>	<u>1,320,794,924</u>
Work-in-process:				
At beginning of period	46,327,710	42,484,186	46,457,504	54,701,453
At end of period	(52,929,393)	(59,586,810)	(52,929,393)	(59,586,810)
	<u>(6,601,683)</u>	<u>(17,102,624)</u>	<u>(6,471,889)</u>	<u>(4,885,357)</u>
Finished stocks:				
At beginning of period	24,300,229	72,989,279	33,394,891	35,234,640
Purchases	-	20,181,532	-	-
At end of period	(28,938,769)	(25,281,113)	(28,938,769)	(25,281,113)
	<u>(4,638,540)</u>	<u>67,889,698</u>	<u>4,456,122</u>	<u>9,953,527</u>
	<u>3,318,758,747</u>	<u>4,001,972,585</u>	<u>1,004,489,491</u>	<u>1,325,863,094</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.

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 2015 Rupees	March 31 2014 Rupees
		Associated companies	Purchase of goods and services
	Sale of goods and services	1,170,906,813	1,089,064,814
	Dividend paid	18,644,227	26,634,610
Key Management Personnel	Remuneration and other benefits	9,852,791	8,796,149
	Dividend paid to directors and their family members	35,938,868	51,426,240



## ELLCOT SPINNING MILLS LIMITED

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 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 23, 2015.

### 10 OTHERS

There are no other significant activities since June 30, 2014 affecting the condensed interim financial information.

### 11 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.

Lahore : April 23, 2015.

Shahzada Ellahi Shaikh  
Director

Shafqat Ellahi Shaikh  
Mg. Director (Chief Executive)

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