

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2021
(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. Mohammad Babar Monnoo	Independent Non-Executive Director
Mr. Imran Motiwala	Independent Non-Executive Director
Mrs. Faaria Rehman Salahuddin	Independent Non-Executive Director
Mr. Jamal Nasim (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
Mr. Haroon Shahzada Ellahi Shaikh	Executive Director

MANAGING DIRECTOR (Chief Executive)

Mr. Haroon Shahzada Ellahi Shaikh

AUDIT COMMITTEE

Mr. Mohammad Babar Monnoo	Chairman
Mr. Shaukat Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Mohammad Babar Monnoo	Chairman
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

EXECUTIVE COMMITTEE

Mr. Haroon Shahzada Ellahi Shaikh	Chairman
Mr. Shafqat Ellahi Shaikh	Member
Mr. Raza 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
Bandial & Associates

LEGAL ADVISOR

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

REGIONAL OFFICE

2nd Floor, Sheikh Sultan Trust Bldg. No. 2,
26 - Civil Lines, Beaumont Road, Karachi-75530

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
Mouza Rossa, Tehsil & District Kasur



DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial information of the company for the half year ended on December 31, 2021 duly reviewed by the auditors. The comparative figures for the corresponding half year ended on December 31, 2020 are included for comparison, except in statement of financial position where figures are for the year ended on June 30, 2021.

Company Performance

Alhamdulillah, your company has earned after tax profit of Rs. 823,983,107 for the half year ended December 31, 2021 compared to Rs. 146,416,894 during the same period of last year (SPLY). Earning per share (EPS) for the half year is Rs. 75.25 compared to Rs. 13.37 for the SPLY.

Healthy yarn demand during the half year helped the company to achieve good prices. The sales volume has also increased during the period. Sales revenue has increased to Rs. 4,997,097,797 during the period under review as compared to Rs. 3,258,763,595 during the SPLY. Higher product margins resulted in decrease in cost of sales from 88.76% of sales during SPLY to 75.31% of sales during the period under review. Gross Profit (GP) was recorded at 24.69% of sales for the period under review as compared to 11.25% of sales during SPLY.

Overall operating expenses decreased from 4.14% of sales during SPLY to 4.01% of sales during the period under review. The Company has been able to generate stable cash flows and made timely discharge of its operating and financial liabilities. Finance cost decreased from 1.78% of sales during SPLY to 1.48% of sales during the period under review. Reduction in finance cost is because of lower short term average borrowings.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2021-22, Kapas, (seed cotton) arrivals upto February 15, 2022, at the Gineries totaled 7.435 million bales compared to 5.617 million bales for similar period of financial year 2020-21 showing increase in arrival of 32.37%.

Future Outlook

Your company performed marvelously well during the first half despite the substantial rise in raw cotton and polyester prices and inflation in costs especially wages, energy, interest, stores and spares and logistics. The excellent financial performance was largely due to healthy increase in selling prices of yarn coupled with timely purchase of raw cotton and polyester fibre at reasonable prices. The favorable market conditions, value added yarns and cost controls have resulted in one of the most lucrative periods for the company in recent times.

The entire textile chain in Pakistan is getting the benefit of rise in global demand. The favorable demand outlook for Pakistani textiles is likely to continue for the second half of the financial year. Your company is well positioned with adequate stocks and reasonably priced purchases of raw cotton and polyester fibre. It is hoped that the second half of the financial year shall also result in good profits.

However, devaluation of Pakistan rupee is likely to substantially increase the cost of raw cotton, polyester fibre and other conversion costs. Due to rising inflation State Bank of Pakistan (SBP) has resorted to monetary tightening and raised the interest rates. Resultantly, the borrowing cost has risen. Transportation and shipping costs are also on the rise. The cumulative cost increase will have an adverse impact on the profitability of the company. In addition, the impact of the IMF program is likely to increase energy costs further and may result in higher taxation.

Domestic cotton production is expected to be around 7.5 million bales. This is an improvement over the last year's production of 5.7 million bales. However, despite the increase in crop size it remained lower than the initial estimates of 8.5 million bales for the season. It is very important that the raw cotton production in Pakistan should be increased to retain the comparative advantage of the country.

In our planned BMR/ expansion program 25,200 spindles are currently under installation and all these spindles will start to contribute production by the end of February, 2022. These new spindles will replace 24,768 old spindles. However, another 16,800 spindles will be added in next financial year. After the current BMR/Expansion plan is fully implemented in the next financial year the total installed capacity will be 79,200 spindles. It is expected that the most modern, efficient machinery will be highly productive, energy efficient and produce better quality of yarns.



ELLCOT SPINNING MILLS LIMITED

It is hoped that Government would bring in long term business friendly policies such as uninterrupted energy supplies in cost effective manner and release of outstanding tax refunds. The Government should also encourage the completion of value chain in Pakistan so that as a country we can focus on export of finished textile products which will be more beneficial for the country.

Acknowledgement

Continued diligence and devotion of the staff and workers of the Company and 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.

Amin Ellahi Shaikh
Director

Raza Ellahi Shaikh
Director

Lahore : 24 February 2022

ڈائریکٹرز کا جائزہ

ڈائریکٹرز 31 دسمبر 2021ء کو اختتام پہلی ششماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منجمد عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 31 دسمبر 2020ء کو ختم ہونے والی ششماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے سٹیٹمنٹ آف فنانسل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2021ء کو اختتامہ سال کے لئے ہیں۔

کمپنی کی کارکردگی

الحمد للہ، آپ کی کمپنی نے 31 دسمبر 2021ء کو ختم ہونے والی پہلی ششماہی کے دوران ٹیکس کے بعد منافع 823,983,107 روپے جبکہ گزشتہ سال کی اسی مدت کے دوران 146,416,894 روپے کا بعد از ٹیکس منافع کمایا۔ ششماہی کے لئے فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے لئے 13.37 روپے کے مقابلے 75.25 روپے ہے۔

ششماہی کے دوران یارن کی صحت مند طلب نے اچھی قیمتیں حاصل کرنے میں کمپنی کی مدد کی۔ اس مدت کے دوران فروخت حجم بھی بڑھ گیا۔ فروخت آمدنی گزشتہ سال اسی مدت کے دوران 3,258,763,595 روپے کے مقابلے 4,997,097,797 روپے رہی۔ مصنوعات کے زیادہ مارجن کے نتیجے میں فروخت کی لاگت گزشتہ سال فروخت کے 88.76 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 75.31 فیصد تک ہوئی۔ مجموعی منافع (GP) گزشتہ سال کے اسی مدت کے دوران فروخت کے 11.25 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 24.69 فیصد تک ہو گیا۔

مجموعی آپریٹنگ اخراجات گزشتہ سال کے فروخت کے 4.14 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 4.01 فیصد تک ہوئے۔ کمپنی مستحکم نقد بہاؤ پیدا کرنے اور اپنی آپریٹنگ ذمہ داریوں کی بروقت ادائیگی کے قابل رہی ہے۔ مالی اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 1.78 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 1.48 فیصد تک ہوئے۔ مالی لاگت میں کمی مختصر مدتی اوسط قرضوں کی کمی کے باعث ہوئی۔

پاکستان کاٹن جزا ریویس ایٹن کی طرف سے فصل سال 2021-22 کے لئے، جاری کردہ اعداد و شمار کے مطابق 15 فروری 2022ء تک جزیر میں کپاس، (تج کپاس) کی پینچ سال 2021-22 کی کل 5,617 ملین گانٹھوں کے مقابلے 7,435 ملین گانٹھیں ہوئی جو کہ 32.37 فیصد کا اضافہ ظاہر کر رہی ہیں۔

مستقبل کا نقطہ نظر

خام کپاس اور پلینسٹر کی قیمتوں میں نمایاں اضافہ اور اخراجات خاص طور پر اجرتوں، بجلی، سود، اسٹوریج اور اسپینرز اور لاجسٹکس میں اضافہ کے باوجود پہلی ششماہی کے دوران آپ کی کمپنی نے شاندار کارکردگی کا مظاہرہ کیا ہے۔ شاندار مالی کارکردگی کی بڑی وجہ یارن کی فروخت قیمتوں میں صحت مند اضافہ کے ساتھ مناسب قیمتوں پر خام کپاس اور پلینسٹر فائبر کی بروقت خریداری ہے۔ مارکیٹ کے موزوں حالات، ویلیو ایڈڈ یارن اور لاگت کنٹرولز کے نتیجے میں پیداوار کمپنی کے لئے بہت ہی منافع بخش مدتوں میں سے ایک ثابت ہوئے ہیں۔

پاکستان میں تمام ٹیکسٹائل چین عالمی طلب میں اضافہ کے فوائد حاصل کر رہی ہے۔ پاکستانی ٹیکسٹائلز کے لئے موزوں طلب نقطہ نظر مالی سال کی دوسری ششماہی میں بھی جاری رہنے کا امکان ہے۔ آپ کی کمپنی خام کپاس اور پلینسٹر فائبر کے کافی اسٹاکس اور موزوں قیمت پر خریداری کے ساتھ اچھی پوزیشن میں ہے۔ یہ امید کی جاتی ہے کہ مالی سال کی دوسری ششماہی بھی بھرپور منافع بخش ہوگی۔

تاہم، پاکستانی روپیہ کی قدر کی کمی سے خام کپاس، پلینسٹر فائبر کی قیمتیں اور دیگر کنورژن اخراجات کافی بڑھنے کا امکان ہے۔ افراط زر بڑھنے کی وجہ سے بینک دولت پاکستان (SBP) نے مائیکریٹیکس کا سہارا لیا اور سود کی شرحیں بڑھادی ہیں۔ جس کے نتیجے میں قرض کی لاگت بڑھ گئی۔ ٹرانسپورٹیشن اور شیپنگ اخراجات بھی بڑھ رہے ہیں۔ مجموعی اخراجات میں اضافہ کمپنی کے منافع پر منفی اثرات ڈالے گا۔ اس کے علاوہ، آئی ایم ایف پروگرام کے اثرات سے بجلی کی قیمتوں میں مزید اضافہ اور ٹیکس بھی بڑھنے کا امکان ہے۔

مقامی کپاس کی پیداوار تقریباً 7.5 ملین گانٹھیں ہونے کی امید ہے۔ یہ گزشتہ سال کی 5.7 ملین گانٹھوں کی پیداوار سے بہتر ہے۔ تاہم، فصل ساز میں اضافہ کے باوجود، یہ سیزن کے لئے 8.5 ملین گانٹھوں کے بنیادی تخمینے سے کم رہی۔ یہ بات بہت اہم ہے کہ پاکستان میں خام کپاس کی پیداوار ملک کے تقابلی فائدہ کو برقرار رکھنے کے لئے بڑھتی چاہئے۔

ہمارے بی ایم آر منصوبہ / توسیعی پروگرام میں 25,200 سپنڈلز فی الجاں زیر تنصیب ہیں اور یہ تمام سپنڈلز فروری 2022ء کے اختتام تک پیداوار میں حصہ ڈالنا شروع کریں گے۔ یہ نئے سپنڈلز 24,768 پرانے سپنڈلز کی جگہ تبدیل کئے جائیں گے۔ تاہم مزید 16,800 سپنڈلز کا اگلے مالی سال میں اضافہ کیا جائے گا۔ اگلے مالی سال میں حالیہ بی ایم آر / توسیعی منصوبہ کے مکمل نفاذ کے بعد کل نصب شدہ کپاسٹی 79,200 سپنڈلز

ہو جائے گی۔ یہ اُمید کی جاتی ہے کہ بہت ہی جدید کارگر مشینری زیادہ پیداواری، بجلی بچانے والی اور یارن کی بہتر کوالٹی پیدا کرے گی۔

اُمید ہے کہ حکومت طویل مدتی کاروبار دوست پالیسیاں لائے گی جیسا کہ توانائی کی مناسب نرخ پر بلا تعطل فراہمی اور بقا یا ٹیکس ریفنڈز کا اجراء۔ حکومت کو پاکستان میں ویلپو چین کی تکمیل کی حوصلہ افزائی بھی کرنی چاہئے تاکہ بطور ملک ہم تیار ٹیکسٹائل مصنوعات پر توجہ مرکوز کر سکیں جو ملک کے لئے مزید فائدہ مند ہوگا۔

اظہار تشکر

کمپنی کے عملدوار کارکنوں کی مسلسل محنت اور جذبہ اور تمام سطحوں پر اچھے انسانی تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز کمپنی کی مسلسل حمایت پر ٹیکرز اور دیگر حصہ داروں کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

رضالحی شیخ

رضالحی شیخ

ڈائریکٹر

امین الہی شیخ

امین الہی شیخ

ڈائریکٹر

لاہور: 24 فروری 2022ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ELLCOT SPINNING MILLS LIMITED Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **ELLCOT SPINNING MILLS LIMITED** [the Company] as at **31 December 2021** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the three-month period ended 31 December 2021 of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we are required to review only cumulative figures for the six-month period ended on that date.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **ZUBAIR IRFAN MALIK**


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ

Chartered Accountants

Lahore: 24 February 2022

UDIN: RR202110185fMGozXY8t



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	31-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		200,000,000	200,000,000
Issued share capital		109,500,000	109,500,000
Capital reserve		(42,459,511)	(32,771,696)
Retained earnings		3,293,763,913	2,475,342,221
TOTAL EQUITY		3,360,804,402	2,552,070,525
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances	6	3,128,238,878	2,221,091,888
Employees retirement benefits		133,040,631	124,015,239
Deferred taxation		135,096,203	135,096,203
Deferred grant	7	377,760,517	48,906,946
		3,774,136,229	2,529,110,276
CURRENT LIABILITIES			
Trade and other payables		886,054,080	671,996,704
Unclaimed dividend		6,929,263	6,731,331
Accrued interest/profit		37,503,144	22,380,271
Short term borrowings		985,705,200	34,985,389
Current taxation		18,678,364	-
Current portion of non-current liabilities		454,140,866	372,130,682
		2,389,010,917	1,108,224,377
TOTAL LIABILITIES		6,163,147,146	3,637,334,653
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		9,523,951,548	6,189,405,178

The annexed notes from 1 to 19 form an integral part of these interim financial statements.

Lahore : 24 February 2022


Amin Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Raza Ellahi Shaikh
Director



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	<i>Note</i>	31-Dec-21 <i>Rupees</i> <i>(Un-audited)</i>	30-Jun-21 <i>Rupees</i> <i>(Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	9	4,183,336,319	2,835,755,837
Long term deposits		7,090,700	7,090,700
		4,190,427,019	2,842,846,537
CURRENT ASSETS			
Stores and spares		126,308,651	71,257,868
Stock in trade		2,749,612,927	1,455,151,596
Trade receivables		877,581,461	638,885,955
Advances and other receivables		622,883,694	343,553,244
Other financial assets	10	797,174,788	720,767,693
Current taxation		-	81,229,434
Cash and bank balances		159,963,008	35,712,851
		5,333,524,529	3,346,558,641
TOTAL ASSETS		9,523,951,548	6,189,405,178

The annexed notes from 1 to 19 form an integral part of these interim financial statements.

Lahore : 24 February 2022


Amin Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Raza Ellahi Shaikh
Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Note	Six month ended		Three month ended	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers - net		4,997,097,797	3,258,763,595	2,604,931,112	1,705,438,695
Cost of sales	11	(3,763,445,686)	(2,892,314,260)	(1,907,224,728)	(1,480,233,917)
Gross profit		1,233,652,111	366,449,335	697,706,384	225,204,778
Selling and distribution expenses		(44,287,079)	(29,379,946)	(26,263,036)	(12,969,427)
Administrative expenses		(81,539,357)	(76,811,922)	(42,123,607)	(38,082,170)
Other expenses		(74,347,739)	(28,783,066)	(41,576,276)	(17,553,107)
		(200,174,175)	(134,974,934)	(109,962,919)	(68,604,704)
		1,033,477,936	231,474,401	587,743,465	156,600,074
Other income		32,627,610	20,868,976	9,844,558	14,392,602
Operating profit		1,066,105,546	252,343,377	597,588,023	170,992,676
Finance cost		(73,725,037)	(57,925,298)	(37,058,536)	(31,541,693)
Profit before taxation		992,380,509	194,418,079	560,529,487	139,450,983
Provision for taxation	12	(168,397,402)	(48,001,185)	(138,141,998)	(25,576,512)
Profit after taxation		823,983,107	146,416,894	422,387,489	113,874,471
Earnings per share - basic and diluted		75.25	13.37	38.57	10.40

The annexed notes from 1 to 19 form an integral part of these interim financial statements.

Lahore : 24 February 2022


Amin Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Raza Ellahi Shaikh
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Six month ended		Three month ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Financial assets at fair value through OCI	12,125,770	67,449,418	12,306,175	20,263,816
Other comprehensive income	12,125,770	67,449,418	12,306,175	20,263,816
Profit after taxation	823,983,107	146,416,894	422,387,489	113,874,471
Total comprehensive income	836,108,877	213,866,312	434,693,664	134,138,287

The annexed notes from 1 to 19 form an integral part of these interim financial statements.

Lahore : 24 February 2022


Amin Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Raza Ellahi Shaikh
Director



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Six month ended	
	31-Dec-21	31-Dec-20
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	992,380,509	194,418,079
Adjustments for non-cash and other items		
Depreciation on property, plant and equipment	142,114,078	128,688,949
Amortization of intangible assets	-	619,998
Provision for employees retirement benefits	17,580,355	16,364,272
(Gain)/loss on disposal of property, plant and equipment	(8,675,255)	14,308,845
Dividend income	(22,745,344)	(14,618,662)
Finance cost	73,725,037	57,925,298
	201,998,871	203,288,700
	1,194,379,380	397,706,779
Changes in working capital		
Stores and spares	(55,050,783)	(13,606,243)
Stock in trade	(1,294,461,331)	(75,900,796)
Trade receivables	(238,695,506)	965,855
Advances and other receivables	(279,330,450)	(648,702,508)
Trade and other payables	214,057,376	79,364,786
	(1,653,480,694)	(657,878,906)
Cash used in operations	(459,101,314)	(260,172,127)
Payments for:		
Finance cost	(58,602,169)	(76,252,391)
Income tax	(68,489,604)	(42,945,035)
Employees retirement benefits	(8,554,963)	(7,844,133)
Net cash used in operating activities	(594,748,050)	(387,213,686)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,497,601,305)	(446,855,248)
Proceeds from disposal of property, plant and equipment	16,582,000	8,107,084
Purchase of short term investments	(1,356,292,419)	(13,145,236)
Proceeds from disposal of short term investments	1,292,011,099	19,964,196
Dividend received	22,745,344	14,618,662
Net cash used in investing activities	(1,522,555,281)	(417,310,542)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	1,493,794,327	559,550,533
Repayment of long term finances	(175,783,582)	(21,820,000)
Dividend paid	(27,177,068)	-
Net increase in short term borrowings	950,719,811	302,995,007
Net cash generated from financing activities	2,241,553,488	840,725,540
NET INCREASE IN CASH AND CASH EQUIVALENTS	124,250,157	36,201,312
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	35,712,851	25,998,792
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	159,963,008	62,200,104

The annexed notes from 1 to 19 form an integral part of these interim financial statements.

Amin Ellahi Shaikh
Director

Muhammad Ahmad
Chief Financial Officer

Raza Ellahi Shaikh
Director

Lahore : 24 February 2022



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Share capital	Capital reserves		Revenue reserve		
	Issued share capital Rupees	Reserve for financial assets measured at FVTOCI Rupees	Reserve on merger Rupees	Total Rupees	Retained earnings Rupees	Total equity Rupees
Balance as at 01 July 2020 - Audited	109,500,000	(109,664,670)	7,760,000	(101,904,670)	1,747,535,710	1,755,131,040
Comprehensive income						
Profit after taxation	-	-	-	-	146,416,894	146,416,894
Other comprehensive income	-	67,449,418	-	67,449,418	-	67,449,418
Total comprehensive income	-	67,449,418	-	67,449,418	146,416,894	213,866,312
Other transactions						
Transfer of reserve for financial assets at FVTOCI on derecognition	-	5,719,337	-	5,719,337	(5,719,337)	-
Taxation relating to transfer of reserve for financial assets at FVTOCI on derecognition	-	-	-	-	-	-
	-	5,719,337	-	5,719,337	(5,719,337)	-
Transaction with owners	-	-	-	-	-	-
Balance as at 31 December 2020 - Un-audited	109,500,000	(36,495,915)	7,760,000	(28,735,915)	1,888,233,267	1,968,997,352
Balance as at 01 January 2021 - Un-audited	109,500,000	(36,495,915)	7,760,000	(28,735,915)	1,888,233,267	1,968,997,352
Comprehensive income						
Profit after taxation	-	-	-	-	667,180,104	667,180,104
Other comprehensive income/(loss)	-	217,773	-	217,773	(2,199,704)	(1,981,931)
Total comprehensive income	-	217,773	-	217,773	664,980,400	665,198,173
Other transactions						
Transfer of reserve for financial assets at FVTOCI on derecognition	-	(3,429,715)	-	(3,429,715)	3,429,715	-
Taxation relating to transfer of reserve for financial assets at FVTOCI on derecognition	-	(823,839)	-	(823,839)	823,839	-
	-	(4,253,554)	-	(4,253,554)	4,253,554	-
Transaction with owners						
Interim dividend @ 75% i.e. Rs. 7.5 per ordinary share	-	-	-	-	(82,125,000)	(82,125,000)
Balance as at 30 June 2021 - Audited	109,500,000	(40,531,696)	7,760,000	(32,771,696)	2,475,342,221	2,552,070,525
Balance as at 01 July 2021 - Audited	109,500,000	(40,531,696)	7,760,000	(32,771,696)	2,475,342,221	2,552,070,525
Comprehensive income						
Profit after taxation	-	-	-	-	823,983,107	823,983,107
Other comprehensive income	-	12,125,770	-	12,125,770	-	12,125,770
Total comprehensive income	-	12,125,770	-	12,125,770	823,983,107	836,108,877
Other transactions						
Transfer of reserve for financial assets at FVTOCI on derecognition	-	(21,813,585)	-	(21,813,585)	21,813,585	-
Taxation relating to transfer of reserve for financial assets at FVTOCI on derecognition	-	-	-	-	-	-
	-	(21,813,585)	-	(21,813,585)	21,813,585	-
Transaction with owners						
Final dividend @ 25% i.e. Rs. 2.5 per ordinary share	-	-	-	-	(27,375,000)	(27,375,000)
Balance as at 31 December 2021 - Un-audited	109,500,000	(50,219,511)	7,760,000	(42,459,511)	3,293,763,913	3,360,804,402

The annexed notes from 1 to 19 form an integral part of these interim financial statements.

Amin Ellahi Shaikh
Director

Muhammad Ahmad
Chief Financial Officer

Raza Ellahi Shaikh
Director

Lahore : 24 February 2022



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2021

1 LEGAL STATUS AND OPERATIONS

Ellocot Spinning Mills Limited [the Company] was incorporated in Pakistan as a Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The Company is a spinning unit engaged in the manufacture and sale of yarn. The registered office of the Company is situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg III, Lahore. The regional office of the Company is situated at 2nd Floor, Shaikh Sultan Trust Building No. 2, 26 - Civil Lines, Beaumont Road, Karachi. The manufacturing facility is located at 6.3 K.M, Manga Mandi, Raiwind Road Mouza Rossa, Tehsil and District Kasur in the Province of Punjab with a total area of 228 Kanal and 14 Marlas.

2 BASIS OF PREPARATION

The interim financial statements are un-audited and has been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2021.

This interim financial statements have been subjected to limited scope review by the auditors of the company, as required by the Companies Act, 2017 under section 237. The comparative condensed interim statement of financial position as at 30 June 2021 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial statements for the six month period ended 31 December 2020 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2021 and 31 December 2020 are neither audited nor reviewed.

2.1 Statement of compliance

These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard 34 - Interim Financial Reporting, issued by International Accounting Standards Board [IASB] as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These interim financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost
Employee retirement benefits	Present value

2.3 Judgments, estimates and assumptions

The preparation of interim financial statements 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

These interim financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified otherwise.

2.5 Date of authorization for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 24 February 2022.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE PERIOD.

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts, IFRS 16 - Leases)

The amendments in Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

3.2 COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16 - Leases)

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	01 January 2023
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2023
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	01 January 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	01 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	01 January 2022
Annual Improvements to IFRS Standards 2018–2020.	01 January 2022
Amendments to IFRS 17	01 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements)	01 January 2023



ELLCOT SPINNING MILLS LIMITED

**Effective date
(annual periods beginning
on or after)**

Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors) 01 January 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes) 01 January 2023

Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17- Insurance contracts) 01 January 2023

Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ["SECP"]:

IFRS 1 - First Time Adoption of International Financial Reporting Standards

IFRS 14 - Regulatory Deferral Accounts

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than in presentation/disclosures.

5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended 30 June 2021.

	<i>Note</i>	31-Dec-21	30-Jun-21
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
6 LONG TERM FINANCES			
From Banking companies			
As at beginning of the period/year		2,579,520,396	2,010,264,959
Obtained during the period/year		1,493,794,327	732,071,333
Accretion during the period/year		21,662,196	11,705,579
Repayments made during the period/year		(175,783,582)	(105,327,759)
Deferred grant recognized during the period/year	7	(404,211,048)	(69,193,716)
As at end of the period/year		3,514,982,289	2,579,520,396
Current maturity presented under current liabilities		(386,743,411)	(358,428,508)
		3,128,238,878	2,221,091,888



ELLCOT SPINNING MILLS LIMITED

	<i>Note</i>	31-Dec-21	30-Jun-21
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
7 DEFERRED GRANT			
As at beginning of the period/year		62,609,120	5,120,983
Recognized during the period/year	6	404,211,048	69,193,716
Amortized during the period/year		(21,662,196)	(11,705,579)
As at end of the period/year		445,157,972	62,609,120
Current maturity presented under current liabilities		(67,397,455)	(13,702,174)
		377,760,517	48,906,946

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 Various banking companies have issued guarantees on behalf of the Company and discounted receivables of the Company as detailed below:

	31-Dec-21	30-Jun-21
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
Bank guarantees	249,139,844	214,641,844
Bills discounted	-	103,415,373

8.2 Commitments

8.2.1 Commitments under irrevocable letters of credit for:

- purchase of property, plant and equipment	604,090,485	1,716,705,271
- purchase of stores and spares	101,478,605	20,851,584
- purchase of raw material	2,069,902,598	832,626,520
	2,775,471,688	2,570,183,375

8.2.2 Commitments for capital expenditure

- 164,627,190

8.2.3 Commitments under short term leases

The Company has rented office premises from a related party under short term lease arrangements. Lease agreement covers a period of one year and is renewable/extendable on mutual consent. Lease rentals are payable quarterly in advance. Commitments for payments in future periods under the lease agreement are as follows:

	31-Dec-21	30-Jun-21
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
- payments not later than one year	1,217,502	553,410
- payments later than one year	-	-
	1,217,502	553,410



ELLCOT SPINNING MILLS LIMITED

	<i>Note</i>	31-Dec-21	30-Jun-21
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
9 FIXED ASSETS			
Property, plant and equipment			
Operating fixed assets	9.1	3,793,436,011	2,600,265,510
Capital work in progress	9.2	389,900,308	235,490,327
		4,183,336,319	2,835,755,837
Intangible assets	9.3	-	-
		4,183,336,319	2,835,755,837
9.1 Operating fixed assets			
Net book value at the beginning of the period/year		2,600,265,510	2,445,620,896
Additions during the period/year			
Buildings on freehold land		108,332,352	9,710,835
Plant and machinery		1,183,623,193	442,769,059
Electric installations and equipment		25,315,393	-
Factory equipment		150,000	-
Office equipment		1,235,500	1,040,500
Furniture and fixtures		326,586	1,156,450
Vehicles		24,208,300	5,579,601
		1,343,191,324	460,256,445
Net book value of assets disposed during the period/year		(7,906,745)	(33,015,179)
Depreciation for the period/year		(142,114,078)	(272,596,652)
Net book value at end of the period/year		3,793,436,011	2,600,265,510
9.2 Capital work in progress			
As at the beginning of the period/year		235,490,327	6,574,594
Additions during the period/year		1,471,680,919	681,395,627
Transfers to operating fixed assets		(1,317,270,938)	(452,479,894)
As at end of the period/year		389,900,308	235,490,327
9.3 Intangible assets			
Net book value at beginning of the period/year		-	1,136,664
Amortization for the period/year		-	(1,136,664)
Net book value at end of the period/year		-	-
10 OTHER FINANCIAL ASSETS			
Financial assets at fair value through other comprehensive income	10.1	797,174,788	720,767,693
		797,174,788	720,767,693



ELLCOT SPINNING MILLS LIMITED

10.1 Financial assets at fair value through other comprehensive income

These represent investments in listed equity securities and mutual funds which have been designated as 'financial assets at fair value through OCI'. These investments are not held for trading. Instead, they are held for strategic purposes for an indefinite period. Accordingly, the Company has elected to designate these investments as at fair value through OCI as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments and realizing their performance potential in the long run. The details are as follows:

	31-Dec-21	30-Jun-21
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
<i>Investments in listed equity securities</i>		
Cost of investment	277,832,138	365,227,157
Changes in fair value	(59,028,628)	(49,354,197)
	218,803,510	315,872,960
<i>Investments in mutual funds</i>		
Cost of investment	578,226,089	404,736,165
Changes in fair value	145,189	158,568
	578,371,278	404,894,733
	797,174,788	720,767,693

10.2 Changes in fair value of investments at fair value through other comprehensive income

	31-Dec-21 <i>(Un-Audited)</i>		
	Listed equity securities <i>Rupees</i>	Mutual funds <i>Rupees</i>	Total <i>Rupees</i>
As at beginning of the year	(49,354,197)	158,568	(49,195,629)
Fair value gain arising during the year	6,068,337	6,057,438	12,125,775
Fair value gain transferred to retained earnings on disposal	(15,742,768)	(6,070,817)	(21,813,585)
As at end of the year	(59,028,628)	145,189	(58,883,439)
Deferred taxation	6,169,276	(39,643)	6,129,633
Impact of change in rate of deferred taxation	2,534,300	-	2,534,300
	(50,325,052)	105,546	(50,219,506)



ELLCOT SPINNING MILLS LIMITED

30-Jun-21 (Audited)

	Listed equity securities Rupees	Mutual funds Rupees	Total Rupees
As at beginning of the year	(101,372,027)	(27,257,549)	(128,629,576)
Fair value loss arising during the year	54,029,298	23,115,027	77,144,325
Fair value (gain)/loss transferred to retained earnings on disposal	(2,011,468)	4,301,090	2,289,622
As at end of the year	(49,354,197)	158,568	(49,195,629)
Deferred taxation	6,169,276	(39,643)	6,129,633
Impact of change in rate of deferred taxation	2,534,300	-	2,534,300
	(40,650,621)	118,925	(40,531,696)

	Six month ended		Three month ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Rupees	Rupees	Rupees	Rupees
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)

11 COST OF SALES

Raw material consumed	2,928,515,520	2,080,120,823	1,472,814,873	1,102,680,447
Fuel and power	339,285,928	297,811,155	190,300,459	139,314,520
Stores and spares consumed	122,824,142	117,220,241	70,158,050	66,406,907
Salaries, wages and benefits	216,711,951	188,503,102	111,942,443	96,382,618
Insurance	8,203,053	7,240,378	4,198,020	3,590,658
Repair and maintenance	6,658,157	5,612,981	3,988,214	3,452,218
Depreciation	137,526,102	123,715,215	74,217,890	64,626,794
Other manufacturing overheads	8,150,956	7,724,112	4,407,598	3,695,417
Manufacturing cost	3,767,875,809	2,827,948,007	1,932,027,547	1,480,149,579
Work in process				
As at beginning of the period	50,048,113	64,558,660	54,692,726	51,895,880
As at end of the period	(62,946,358)	(63,078,012)	(62,946,358)	(63,078,012)
	(12,898,245)	1,480,648	(8,253,632)	(11,182,132)
Cost of goods manufactured	3,754,977,564	2,829,428,655	1,923,773,915	1,468,967,447
Finished goods				
As at beginning of the period	51,892,779	111,217,659	26,875,470	59,598,524
As at end of the period	(43,424,657)	(48,332,054)	(43,424,657)	(48,332,054)
	8,468,122	62,885,605	(16,549,187)	11,266,470
	3,763,445,686	2,892,314,260	1,907,224,728	1,480,233,917



ELLCOT SPINNING MILLS LIMITED

12 PROVISION FOR TAXATION

12.1 Provision for current tax has been made in accordance with the requirements of section 113C, 150 and 154 of the Income Tax Ordinance, 2001.

12.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

Transactions with key management personnel are limited to payment of short term employee benefits and dividend on ordinary shares. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an orderly transaction between market participants at the date of transaction.

There are no balances outstanding with related parties as at the reporting date. Detail of transactions with related parties are as follows:

	Six month ended	
	31-Dec-21	31-Dec-20
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>

13.1 Transactions with related parties

Nature of relationship	Nature of transaction		
Associated companies	Purchase of goods and services	222,996	-
	Sales of goods and services	1,555,300,023	619,707,654
	Rent paid	553,410	503,100
	Dividend paid	6,658,653	-
Key management personnel	Short term employee benefits	16,042,783	11,995,197
	Dividend paid to directors and their family members	12,765,310	-



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14 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	31-Dec-21	30-Jun-21
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
14.1 Financial assets		
<i>Cash in hand</i>	998,686	-
<i>Financial assets at amortized cost</i>		
Long term deposits	7,090,700	7,090,700
Trade receivables	877,581,461	638,885,955
Advances to employees	613,160	141,000
Bank balances	158,964,322	35,712,851
	1,044,249,643	681,830,506
<i>Financial assets designated as fair value through OCI</i>		
Investment in listed equity securities	218,803,510	315,872,960
Investment in mutual funds	578,371,278	404,894,733
	797,174,788	720,767,693
	1,842,423,117	1,402,598,199
14.2 Financial liabilities		
<i>Financial liabilities at amortized cost</i>		
Long term finances	3,514,982,289	2,579,520,396
Short term borrowings	985,705,200	34,985,389
Accrued interest/profit	37,503,144	22,380,271
Trade creditors	248,625,691	64,075,660
Accrued liabilities	343,277,630	217,730,748
Unclaimed dividend	6,929,263	6,731,331
	5,137,023,217	2,925,423,795

**15 FAIR VALUE MEASUREMENTS****15.1 Financial instruments****15.1.1 Financial instruments measured at fair value**

The Company measures some of its financial assets at fair value. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

- 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 fair value hierarchy of financial instruments measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

a) Recurring fair value measurements

Nature of asset	Hierarchy	Valuation techniques/Key inputs	31-Dec-21	30-Jun-21
			<i>Rupees</i>	<i>Rupees</i>
			<i>(Un-Audited)</i>	<i>(Audited)</i>
Investments				
Investments in equity securities	Level 1	Quoted bid prices in an active market	218,803,510	315,872,960
Investments in mutual funds	Level 1	Quoted bid prices in an active market	578,371,278	404,894,733

b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

15.1.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value at the end of each reporting period to approximate their fair values as at the reporting date.

15.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than financial instruments are measured at fair value.

16 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 30 June 2021.

17 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

18 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these interim financial statements.



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19 GENERAL

- 19.1 There are no other significant activities since 30 June 2021 affecting the interim financial statements.
- 19.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

Lahore : 24 February 2022

Amin Ellahi Shaikh
Director

Muhammad Ahmad
Chief Financial Officer

Raza Ellahi Shaikh
Director

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