

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2018
(Un-Audited)**



ELLCOT SPINNING MILLS LTD.



C O N T E N T S

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ELLCOT SPINNING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

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

MANAGING DIRECTOR (Chief Executive)

Mr. Shafqat Ellahi Shaikh

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

| | |
|-------------------------|-----------|
| Mr. Syed Moaz Mohiuddin | Chairman |
| Mr. Raza Ellahi Shaikh | Member |
| Mr. Amin Ellahi Shaikh | Member |
| Mr. Muhammad Azam | Secretary |

EXECUTIVE COMMITTEE

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

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Ahmad

HEAD OF INTERNAL AUDIT

Mr. Kashif Saleem

AUDITORS

Messrs Rahman Sarfraz Rahim Iqbal Rafiq
Chartered Accountants

LEGAL ADVISOR

Bandial & Associates

LEAD BANKERS

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

REGISTERED OFFICE

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

WEB REFERENCE

www.nagina.com

SHARE REGISTRAR

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

MILLS

6.3 K.M, Manga Mandi, Raiwind Road
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, 2018 duly reviewed by the auditors. The comparative figures for the corresponding half year ended on December 31, 2017 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2018.

Company Performance

Alhamdulillah, company has posted an after tax profit for the 1st half year of financial year 2018-19 of Rs. 62,590,904 or 2.08 % of sales compared to Rs.46,088,216 or 1.84% of sales during the corresponding period of last year. Earning per share (EPS) for the period under review is Rs.5.72 compared to Rs. 4.21 for the corresponding period of last year.

Better yarn selling prices resulted in increase in sales revenue by 20.56% over the same period of last year and stood at Rs.3,015,032,723 compared to Rs.2,500,922,137 during the corresponding period of last year. Cost of sales decreased from 93.45% of sales during the same period of last year to 90.08% of sales during the period under review. Increase in sales and decrease in cost of sales resulted increase in gross profit (GP) from 6.55% of sales during same period of previous year to 9.92% of sales during the period under review.

Overall operating expenses decreased from 3.43% of sales during same period of previous year to 3.88% of sales during the period under review. The Company has been able to generate stable cash flows and make timely discharge of its operating and financial liabilities. Finance cost increased from 1.72% of sales during the same period of last year to 4.64% of sales during the 1st half year ended under review. The increase is mainly due to rising interest rate environment in the country and increase in short term borrowings for cotton procurement.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2018-19, Kapas, (seed cotton) arrivals upto February 15, 2019, at the Gineries totaled 10.701 million bales compared to 11.486 million bales for similar period of financial year 2017-18 showing decrease in arrival of 6.83%.

Future Outlook

Business environment for the textile industry has improved during the current financial year. Government has recently announced lower rates for electricity and gas for the textile industry. Therefore, the company will benefit from lower energy costs. Adjustments in the USD/RUPEE exchange rate is also helping the textile industry to regain international competitiveness. Removal of import duties on raw cotton is also likely to support the spinning industry to avert raw cotton shortages. The textile spinning industry is grateful to the government for these industry supporting measures. We hope that export rebates, technology up-gradation fund (TUF), income tax and sales tax refunds stuck up for a long time will be released in a timely manner to the textile industry. It is also hoped that the government will ensure supply of gas and electricity to the textile industry in a continuous manner. However, rising interest rates are pushing up the financial costs. Rupee devaluation has also pushed up the import costs of raw materials, transport and stores and spares.

Management is focusing on product diversification, seeking new export markets with application of effective cost controls in order to improve margins.

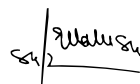
Acknowledgement

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

On behalf of the Board.



Shahzada Ellahi Shaikh
Chairman



Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : February 26, 2019.

ڈائریکٹرز کا جائزہ

ڈائریکٹرز 31 دسمبر 2018ء کو اختتام پزیر ہونے والی ششماہی کے لئے کمپنی کی غیر نظر ثانی شدہ مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 31 دسمبر 2017ء کو ختم ہونے والی ششماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں۔ ماسوائے ٹیمینٹ آف فنانسل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2018ء کو اختتام سال کے لئے ہیں۔

کمپنی کی کارکردگی

الحمد للہ، آپ کی کمپنی نے گزشتہ سال کی اسی مدت کے دوران بعد از ٹیکس منافع 46,088,216 روپے یا فروخت کا 1.84 فیصد کے مقابلہ میں مالی سال 2018-19 کی پہلی ششماہی کے لئے 62,590,904 روپے یا فروخت کا 2.08 فیصد درج کیا ہے۔ زیر جائزہ مدت کے لئے فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے دوران 4.21 روپے کے مقابلے 5.72 روپے ہے۔ سوٹر کی بہتر فروخت قیمتوں کے نتیجے میں گزشتہ سال کی اسی مدت سے 20.56 فیصد تک فروخت آمدنی میں اضافہ ہوا اور گزشتہ سال کی اسی مدت کے دوران 2,500,922,137 روپے کے مقابلے 3,015,032,723 روپے پر برقرار رہا۔ زیر جائزہ مدت کے دوران فروخت کی لاگت گزشتہ سال کی فروخت کی 93.45 فیصد سے کم ہو کر فروخت کی 90.08 فیصد تک ہو گئی۔ زیر جائزہ مدت میں اضافہ اور فروخت کی لاگت میں کمی کے نتیجے میں گزشتہ سال کی اسی مدت کے دوران مجموعی منافع (GP) فروخت کے 6.55 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کا 9.92 فیصد ہو گیا۔ مجموعی کاروباری اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 3.43 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 3.88 فیصد ہو گئے۔ کمپنی پائیدار نقد بہاؤ پیدا کرنے اور اپنے تمام کاروباری اور مالی واجبات بروقت ادا کرنے کے قابل رہی ہے۔ مالی اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 1.72 فیصد سے بڑھ کر زیر جائزہ سال کی پہلی اختتام ششماہی کے دوران فروخت کے 4.64 فیصد ہو گئے۔ مالی اخراجات میں یہ اضافہ کپاس کی خریداری کے لئے مختصر مدتی قرضوں میں اضافہ اور ملک میں سودی شرح میں اضافہ کے ماحول کی وجہ سے ہوا ہے۔

فصل سال 2018-19 کیلئے پاکستان کائن جیز ایسوسی ایشن کی طرف سے جاری کردہ اعداد و شمار کے مطابق کپاس (بیج کپاس) کی 15 فروری 2019ء تک جزیز میں آمد گزشتہ سال 2017-18 کی اسی مدت میں 11.486 ملین گانٹھوں کے مقابلے میں کل 10.701 ملین گانٹھیں ہو گئیں جو 6.83 فیصد کی کمی ظاہر کرتی ہے۔

مستقبل کا نقطہ نظر

ٹیکسٹائل صنعت کے لئے کاروباری ماحول رواں مالی سال کے دوران بہتر ہوا ہے۔ حکومت نے حال ہی میں ٹیکسٹائل صنعت کے لئے بجلی اور گیس کے کم نرخ کا اعلان کیا ہے۔ اس لئے کمپنی بجلی کی کم قیمتوں سے فائدہ اٹھائے گی۔ امریکی ڈالر اور روپیہ کے تبادلہ کی شرح میں ایڈجسٹمنٹ بین الاقوامی مقابلہ حاصل کرنے میں ٹیکسٹائل صنعت کی مدد بھی کر رہی ہے۔ خام کپاس پر درآمدی ڈیوٹی کا خاتمہ خام کپاس کی قلت کو کم کرنے کے لئے سپنگ صنعت کی مدد کرتا ہے۔ ٹیکسٹائل سپنگ صنعت ان صنعتی اقدامات کے لئے حکومت کی شکر گزار ہے۔ ہم امید کرتے ہیں کہ برآمدی اعانتیں، ٹیکنالوجی اپ گریڈیشن فنڈ (TUF)، اکنامکس اور میلر ٹیکس کی واپسی کی طویل عرصہ سے تعطیلی ٹیکسٹائل صنعت کو بروقت انداز میں واگزار کی جائیں گی۔ یہ بھی امید کی جاتی ہے کہ حکومت مسلسل انداز میں ٹیکسٹائل صنعت کو گیس اور بجلی کی فراہمی کو یقینی بنائے گی۔ تاہم، سودی شرحوں میں اضافہ مالی اخراجات کو بڑھا رہا ہے۔ روپے کی قدر میں کمی نے خام مواد، ٹرانسپورٹ، سنورز اور پیپر کے درآمدی اخراجات کو بھی بڑھا دیا ہے۔

انتظامیہ منافع کو بہتر بنانے کے لئے موثر لاگت کنٹرول کے اطلاق کے ساتھ مصنوعات کی متنوع، نئی برآمد مارکیٹوں کی تلاش پر توجہ مرکوز کر رہی ہے۔

اظہار تشکر

کٹیدہ حالات کے باوجود، کمپنی کے عملے اور کارکنوں کی مسلسل محنت اور جذبہ کی بدولت منافع بخش نتائج ممکن ہوئے ہیں۔ تمام سطحوں پر اچھے انسانی تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز کمپنی کی مسلسل حمایت پر شکریہ ادا کرتے ہیں۔

منجانب بورڈ

Shahid Ali
شفقت الہی شیخ

منیجنگ ڈائریکٹر (چیف ایگزیکٹو)

Shahid Ali
شفعت الہی شیخ

چیئر مین

لاہور: 26 فروری 2019ء

FINANCIAL STATEMENTS

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 December 31, 2018 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 December 31, 2018 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

Date: **FEBRUARY 26, 2019**

Place: **LAHORE**





**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018**

| | <i>Note</i> | December 31, 2018 | June 30, 2018 |
|---|-------------|--------------------------|----------------------|
| | | <i>Rupees</i> | <i>Rupees</i> |
| | | <i>(Un-audited)</i> | <i>(Audited)</i> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 20,000,000 (June 30, 2018: 20,000,000) ordinary shares of Rs. 10 each | | 200,000,000 | 200,000,000 |
| Issued, subscribed and paid-up capital | | 109,500,000 | 109,500,000 |
| Capital reserves | | (43,937,658) | 5,979,403 |
| Accumulated profit | | 1,430,681,882 | 1,433,790,978 |
| TOTAL EQUITY | | 1,496,244,224 | 1,549,270,381 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term finances - <i>secured</i> | | 1,848,911,465 | 1,793,375,699 |
| Employees retirement benefits | | 85,990,990 | 80,310,848 |
| Deferred taxation | | 53,908,073 | 53,908,073 |
| | | 1,988,810,528 | 1,927,594,620 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 443,337,322 | 385,046,070 |
| Unclaimed dividend | | 6,012,262 | 4,908,619 |
| Accrued interest/markup/profit | | 69,475,724 | 51,481,017 |
| Short term borrowings | | 2,259,302,528 | 2,227,456,568 |
| Current portion of long term finances - <i>secured</i> | | 114,220,799 | 108,093,042 |
| | | 2,892,348,635 | 2,776,985,316 |
| TOTAL LIABILITIES | | 4,881,159,163 | 4,704,579,936 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 6 | | |
| TOTAL EQUITY AND LIABILITIES | | 6,377,403,387 | 6,253,850,317 |

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

Shahzada Ellahi Shaikh
Chairman

Lahore : February 26, 2019

| | Note | December 31, 2018 | June 30, 2018 |
|---|------|----------------------|----------------------|
| | | Rupees | Rupees |
| | | (Un-audited) | (Audited) |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 7 | 2,534,900,775 | 2,644,543,927 |
| Long term deposits | | 7,090,700 | 7,090,700 |
| | | 2,541,991,475 | 2,651,634,627 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 36,849,639 | 66,084,857 |
| Stock in trade | | 2,062,651,488 | 1,821,067,965 |
| Trade debts | | 507,435,553 | 738,488,296 |
| Advances, prepayments and other receivables | | 594,744,226 | 406,638,325 |
| Short term investments | | 466,735,449 | 451,033,523 |
| Advance income tax | | 132,222,531 | 101,949,715 |
| Cash and bank balances | | 34,773,026 | 16,953,009 |
| | | 3,835,411,912 | 3,602,215,690 |
| TOTAL ASSETS | | 6,377,403,387 | 6,253,850,317 |

The annexed notes from 1 to 15 form an integral part of these interim financial statements.



Muhammad Ahmad
Chief Financial Officer



Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2018**

| | Note | Six month ended | | Three month ended | |
|---|------|----------------------|-------------------|----------------------|-------------------|
| | | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| | | Rupees | Rupees | Rupees | Rupees |
| Sales - net | | 3,015,032,723 | 2,500,922,137 | 1,546,475,160 | 1,310,768,482 |
| Cost of sales | 8 | (2,715,798,805) | (2,337,102,286) | (1,400,478,420) | (1,234,748,809) |
| Gross profit | | 299,233,918 | 163,819,851 | 145,996,740 | 76,019,673 |
| Distribution cost | | (20,375,795) | (14,565,433) | (10,372,259) | (9,742,334) |
| Administrative expenses | | (70,776,800) | (58,366,908) | (35,446,185) | (27,482,371) |
| Other expenses | | (25,914,391) | (12,963,435) | (23,886,855) | 2,255,843 |
| | | (117,066,986) | (85,895,776) | (69,705,299) | (34,968,862) |
| | | 182,166,932 | 77,924,075 | 76,291,441 | 41,050,811 |
| Other income | | 20,305,417 | 11,261,454 | 17,737,968 | 10,042,753 |
| Operating profit | | 202,472,349 | 89,185,529 | 94,029,409 | 51,093,564 |
| Finance cost | | (139,881,445) | (42,987,591) | (75,093,393) | (22,820,406) |
| Profit before taxation | | 62,590,904 | 46,197,938 | 18,936,016 | 28,273,158 |
| Provision for taxation | 9 | - | (109,722) | - | (109,722) |
| Profit after taxation | | 62,590,904 | 46,088,216 | 18,936,016 | 28,163,436 |
| Earnings per share - basic and diluted | | 5.72 | 4.21 | 1.73 | 2.57 |

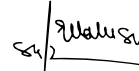
The annexed notes from 1 to 15 form an integral part of these interim financial statements.



Shahzada Ellahi Shaikh
Chairman



Muhammad Ahmad
Chief Financial Officer



Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : February 26, 2019

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2018

| | Six month ended | | Three month ended | |
|---|-------------------|-------------------|-------------------|-------------------|
| | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| | Rupees | Rupees | Rupees | Rupees |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Changes in fair value of available for sale financial assets | (49,917,061) | (30,116,976) | - | - |
| Items that will not be reclassified to profit or loss | - | - | - | - |
| Other comprehensive loss before taxation | (49,917,061) | (30,116,976) | - | - |
| Taxation | - | - | - | - |
| Other comprehensive loss after taxation | (49,917,061) | (30,116,976) | - | - |
| Profit after taxation | 62,590,904 | 46,088,216 | 18,936,016 | 28,163,436 |
| Total comprehensive income | 12,673,843 | 15,971,240 | 18,936,016 | 28,163,436 |

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

Lahore : February 26, 2019


Shahzada Ellahi Shaikh
Chairman


Muhammad Ahmad
Chief Financial Officer


Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2018

| | Six month ended | |
|---|-------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| | Rupees | Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 62,590,904 | 46,197,938 |
| Adjustments for non-cash and other items | | |
| Depreciation | 131,932,902 | 62,515,705 |
| Amortization | 619,999 | 619,999 |
| Provision for employees retirement benefits | 16,304,992 | 13,392,498 |
| Loss/(gain) on disposal of property, plant and equipment | 6,943,210 | (514,807) |
| Dividend income | (19,821,812) | (10,196,558) |
| Loss on sale of short term investments | 15,605,389 | 2,980,086 |
| Finance cost | 139,881,445 | 42,987,591 |
| | 291,466,125 | 111,784,514 |
| Operating profit before changes in working capital | 354,057,029 | 157,982,452 |
| Changes in working capital | | |
| Stores, spares and loose tools | 29,235,218 | (25,731,735) |
| Stock in trade | (241,583,523) | (455,937,946) |
| Trade debts | 231,052,743 | 77,662,373 |
| Advances, prepayments and other receivables | (188,105,901) | (24,282,878) |
| Trade and other payables | 58,291,252 | 95,744,330 |
| | (111,110,211) | (332,545,856) |
| Net cash generated from/(used in) operations | 242,946,818 | (174,563,404) |
| Payments for | | |
| Finance cost | (121,886,738) | (36,218,591) |
| Income tax | (30,272,816) | (9,917,900) |
| Employees retirement benefits | (10,624,850) | (11,295,240) |
| Net cash generated from/(used in) operating activities | 80,162,414 | (231,995,135) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (49,617,959) | (457,240,828) |
| Proceeds from disposal of property, plant and equipment | 19,765,000 | 4,051,196 |
| Purchase of short term investments | (141,075,466) | (104,695,610) |
| Proceeds from disposal of short term investments | 59,851,090 | 134,736,400 |
| Dividend received | 19,821,812 | 10,196,558 |
| Net cash used in investing activities | (91,255,523) | (412,952,284) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finances obtained | 114,914,000 | 418,635,649 |
| Repayment of long term finances | (53,250,477) | (36,131,740) |
| Dividend paid | (64,596,357) | (37,602,223) |
| Net increase in short term borrowings | 31,845,960 | 299,282,797 |
| Net cash generated from financing activities | 28,913,126 | 644,184,483 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 17,820,017 | (762,936) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 16,953,009 | 15,939,035 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 34,773,026 | 15,176,099 |

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

Shahzada Ellahi Shaikh
Chairman

Lahore : February 26, 2019

Muhammad Ahmad
Chief Financial Officer

Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2018

| | Share capital | Capital reserves | | | Revenue reserve | |
|---|---|---|----------------------|---------------------|-----------------------|----------------------|
| | Issued subscribed and paid-up capital | Changes in fair value of available for sale financial assets | Reserve on merger | Total | Accumulated profit | Total equity |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Balance as at June 30, 2017 - Audited | 109,500,000 | (10,504,398) | 7,760,000 | (2,744,398) | 1,342,268,486 | 1,449,024,088 |
| Comprehensive income | | | | | | |
| Profit after taxation | - | - | - | - | 46,088,216 | 46,088,216 |
| Other comprehensive loss | - | (30,116,976) | - | (30,116,976) | - | (30,116,976) |
| Total comprehensive (loss)/income | - | (30,116,976) | - | (30,116,976) | 46,088,216 | 15,971,240 |
| Transaction with owners | | | | | | |
| Final dividend @ 35% i.e. Rs. 3.5 per ordinary share | - | - | - | - | (38,325,000) | (38,325,000) |
| Balance as at December 31, 2017 - Un-audited | <u>109,500,000</u> | <u>(40,621,374)</u> | <u>7,760,000</u> | <u>(32,861,374)</u> | <u>1,350,031,702</u> | <u>1,426,670,328</u> |
| Balance as at January 01, 2018 - Un-audited | 109,500,000 | (40,621,374) | 7,760,000 | (32,861,374) | 1,350,031,702 | 1,426,670,328 |
| Comprehensive income | | | | | | |
| Profit after taxation | - | - | - | - | 84,426,380 | 84,426,380 |
| Other comprehensive income/(loss) | - | 38,840,777 | - | 38,840,777 | (667,104) | 38,173,673 |
| Total comprehensive income | - | 38,840,777 | - | 38,840,777 | 83,759,276 | 122,600,053 |
| Transaction with owners | - | - | - | - | - | - |
| Balance as at June 30, 2018 - Audited | <u>109,500,000</u> | <u>(1,780,597)</u> | <u>7,760,000</u> | <u>5,979,403</u> | <u>1,433,790,978</u> | <u>1,549,270,381</u> |
| Balance as at July 01, 2018 - Audited | 109,500,000 | (1,780,597) | 7,760,000 | 5,979,403 | 1,433,790,978 | 1,549,270,381 |
| Comprehensive income | | | | | | |
| Profit after taxation | - | - | - | - | 62,590,904 | 62,590,904 |
| Other comprehensive loss | - | (49,917,061) | - | (49,917,061) | - | (49,917,061) |
| Total comprehensive (loss)/income | - | (49,917,061) | - | (49,917,061) | 62,590,904 | 12,673,843 |
| Transaction with owners | | | | | | |
| Final dividend @ 60% i.e. Rs. 6 per ordinary share | - | - | - | - | (65,700,000) | (65,700,000) |
| Balance as at December 31, 2018 - Un-audited | <u>109,500,000</u> | <u>(51,697,658)</u> | <u>7,760,000</u> | <u>(43,937,658)</u> | <u>1,430,681,882</u> | <u>1,496,244,224</u> |

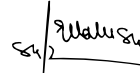
The annexed notes from 1 to 15 form an integral part of these interim financial statements.



Shahzada Ellahi Shaikh
Chairman



Muhammad Ahmad
Chief Financial Officer



Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : February 26, 2019

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2018**

1 LEGAL STATUS AND OPERATIONS

Ellicot 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 manufacturing facility is located at 6.3 K.M, Manga Mandi, Riwind Road, Moza Rossa, Tehsil and District Kasur in the Province of Punjab.

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 June 30, 2018.

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 June 30, 2018 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 December 31, 2017 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 December 31, 2018 and December 31, 2017 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 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 these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

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 are prepared in Pak Rupees which is the Company's functional currency.

2.5 Date of authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on February 26, 2019.

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, unless specified otherwise, 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.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customer.

- Identify the contract with customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contracts.
- Recognized revenue when (or as) the entity satisfies a performance obligation.

Clarifications to IFRS 15 - Revenue from Contracts with Customers

IFRS 15 - Revenue from Contracts with Customers have been amended to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

IFRIC 22 - Foreign Currency Transactions and Advances Consideration

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively
- Assumptions for taxation authorities' examinations
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- The effect of changes in facts and circumstances

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 - Share-based Payment)

IFRS 2 - Share-based Payment have been amended to clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

Applying IFRS 9 - Financial Instruments with IFRS 4 - Insurance Contracts (Amendments to IFRS 4 - Insurance Contracts)

IFRS 4 Insurance Contracts have been amended to provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

Transfers of Investment Property (Amendments to IAS 40 - Investment Property)

IAS 40 - Investment Property have following amendments:

- Paragraph 57 have been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
- The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

Annual Improvements to IFRS Standards 2014–2016 Cycle (IFRS 1 - First-time Adoption of International Financial Reporting Standards and IAS 28 - Investments in Associates and Joint Ventures)

Annual improvements makes amendments to the following standards:

- IFRS 1 - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.
- IAS 28 - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

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

| | Effective date (reporting period / year ended on or after) |
|--|---|
| IFRS 9 - Financial Instruments (2014) | June 30, 2019 |
| | Effective date (annual periods beginning on or after) |
| IFRS 16 - Leases (2016) | January 01, 2019 |
| IFRS 17 - Insurance contracts (2017) | January 01, 2021 |
| 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 |
| IFRIC 23 - Uncertainty over Income Tax Treatments | January 01, 2019 |

| | Effective date (annual periods beginning on or after) |
|---|---|
| Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments) | January 01, 2019 |
| Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures) | January 01, 2019 |
| Annual Improvements to IFRS Standards 2015 – 2017 Cycle | January 01, 2019 |
| Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee Benefits) | January 01, 2019 |
| Amendments to References to the Conceptual Framework in IFRS Standards | January 01, 2020 |
| Definition of a Business (Amendments to IFRS 3 - Business Combinations) | January 01, 2020 |
| Definition of Material (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors) | January 01, 2020 |

Other than afore mentioned standards, interpretations and amendments, IABS 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 Defferal Accounts
IFRS 17 – Insurance contracts (2017)

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 have no material impact on the Company's financial statements other than in presentation/disclosures.

IFRS 9 - Financial Instruments

Finalised version of IFRS 9 - Financial Instruments: Recognition and Measurement which contains accounting requirement for financial instruments, replacing IAS 39 - Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- **Classification and measurement:** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment:** The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
- **Hedge accounting:** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

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 financial statements of the Company for the year ended June 30, 2018.

6 CONTINGENCIES AND COMMITMENTS
6.1 Contingencies

There is no significant change in the status of contingencies since June 30, 2018, with the exception of bills discounted/negotiated, which amount to Rs. 49,226,866 (June 30, 2018: Rs. nil) as at the reporting date.

| | Note | December 31, 2018 | June 30, 2018 |
|---|-------------|--------------------------|----------------------|
| | | Rupees | Rupees |
| | | (Un-Audited) | (Audited) |
| 6.2 Commitments | | | |
| 6.2.1 Commitments under irrevocable letters of credit for: | | | |
| - purchase of property, plant and equipment | | 7,989,465 | 3,541,400 |
| - purchase of stores, spares and loose tools | | 3,345,379 | - |
| - purchase of raw material | | 211,729,537 | 75,397,958 |
| | | 223,064,381 | 78,939,358 |
| 6.2.2 Commitments under operating leases | | 958,320 | 435,600 |

7 FIXED ASSETS

Property, plant and equipment

| | | | |
|---------------------------------------|-----|----------------------|---------------|
| Operating fixed assets - <i>owned</i> | 7.1 | 2,516,879,966 | 2,640,791,138 |
| Capital work in progress | 7.2 | 15,024,150 | 136,131 |
| | | 2,531,904,116 | 2,640,927,269 |
| Intangible assets | 7.3 | 2,996,659 | 3,616,658 |
| | | 2,534,900,775 | 2,644,543,927 |

| | <i>Note</i> | December 31, 2018 | June 30, 2018 |
|--|-------------|-----------------------------|----------------------|
| | | <i>Rupees</i> | <i>Rupees</i> |
| | | <i>(Un-Audited)</i> | <i>(Audited)</i> |
| 7.1 Operating fixed assets - owned | | | |
| Net book value at the beginning of the period/year | | 2,640,791,138 | 1,162,585,962 |
| Additions during the period/year | | | |
| Plant and machinery | | 27,072,625 | 1,445,204,381 |
| Buildings on freehold land - Mills | | - | 144,209,113 |
| Land | | 1,080,000 | - |
| Electric installations and equipment | | 1,337,188 | 29,134,028 |
| Factory equipment | | 1,341,400 | 116,000 |
| Office equipment | | 709,700 | 708,648 |
| Furniture and fixtures | | 1,118,327 | 614,632 |
| Vehicles | | 2,070,700 | 4,952,000 |
| | | 34,729,940 | 1,624,938,802 |
| Net book value of assets disposed during the period/year | | (26,708,210) | (8,456,540) |
| Depreciation for the period/year | | (131,932,902) | (138,277,086) |
| Net book value at end of the period/year | | <u>2,516,879,966</u> | <u>2,640,791,138</u> |
| 7.2 Capital work in progress | | | |
| Opening | | 136,131 | 5,478,267 |
| Additions during the period/year | | 41,960,644 | 1,613,205,386 |
| Transfers to operating fixed assets - owned | | (27,072,625) | (1,618,547,522) |
| Net book value at end of the period/year | | <u>15,024,150</u> | <u>136,131</u> |
| 7.3 Intangible assets | | | |
| Net book value at beginning of the period/year | | 3,616,658 | 4,856,655 |
| Amortization for the period/year | | (619,999) | (1,239,997) |
| Net book value at end of the period/year | | <u>2,996,659</u> | <u>3,616,658</u> |

| | Six month ended | | Three month ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | December 31, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> |
| | <i>(Un-Audited)</i> | <i>(Un-Audited)</i> | <i>(Un-Audited)</i> | <i>(Un-Audited)</i> |
| 8 COST OF SALES | | | | |
| Raw material consumed | 1,913,872,279 | 1,737,671,039 | 968,744,837 | 864,695,720 |
| Fuel and power | 280,017,491 | 254,907,707 | 140,276,312 | 136,001,015 |
| Stores, spares and loose tools consumed | 92,203,378 | 85,692,509 | 48,375,291 | 46,671,589 |
| Salaries, wages and benefits | 180,559,243 | 189,382,395 | 87,164,208 | 95,444,084 |
| Insurance | 4,928,512 | 3,142,082 | 2,624,883 | 1,591,044 |
| Repair and maintenance | 4,134,680 | 5,879,426 | 2,046,824 | 3,348,883 |
| Depreciation | 128,787,549 | 59,062,561 | 64,436,794 | 29,969,330 |
| Other manufacturing overheads | 8,821,218 | 7,870,331 | 4,569,544 | 3,412,529 |
| Manufacturing cost | 2,613,324,350 | 2,343,608,050 | 1,318,238,693 | 1,181,134,194 |
| Work in process | | | | |
| As at beginning of the period | 58,649,452 | 46,147,798 | 63,299,280 | 45,656,585 |
| As at end of the period | (58,044,813) | (50,918,028) | (58,044,813) | (50,918,028) |
| | 604,639 | (4,770,230) | 5,254,467 | (5,261,443) |
| Cost of goods manufactured | 2,613,928,989 | 2,338,837,820 | 1,323,493,160 | 1,175,872,751 |
| Finished goods | | | | |
| As at beginning of the period | 61,759,790 | 52,883,593 | 109,185,234 | 113,495,185 |
| Purchased during the period | 126,412,500 | - | 54,102,500 | - |
| As at end of the period | (86,302,474) | (54,619,127) | (86,302,474) | (54,619,127) |
| | 101,869,816 | (1,735,534) | 76,985,260 | 58,876,058 |
| | 2,715,798,805 | 2,337,102,286 | 1,400,478,420 | 1,234,748,809 |

9 PROVISION FOR TAXATION

9.1 Provision for current tax has been made in accordance with the requirements of section 113 and section 154 of the Income Tax Ordinance, 2001. Due to availability of tax credits in excess of provision, the provision for current tax amounting to Rs. 39.58 million (December 31, 2017: Rs. 26.284 million) has been reduced to nil.

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

10 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.

Details of transactions with related parties are as follows:

| | | Six months ended | |
|--|--|--------------------------|--------------------------|
| | | December 31, 2018 | December 31, 2017 |
| | | Rupees | Rupees |
| | | (Un-Audited) | (Un-Audited) |

10.1 Transactions with related parties

| Nature of relationship | Nature of transaction | | |
|-------------------------------|---|--------------------|-------------|
| Associated companies | Purchase of goods and services | 107,966,400 | 27,500 |
| | Sales of goods and services | 814,030,990 | 361,688,562 |
| | Rent paid | 435,600 | 396,000 |
| | Dividend paid | 15,980,766 | 9,322,114 |
| Key management personnel | Short term employee benefits | 5,365,448 | 4,392,296 |
| | Dividend paid to directors and their family members | 30,630,744 | 17,867,934 |

10.2 Balances with related parties

There are no balances due to/from related parties as at the reporting date.

11 FINANCIAL INSTRUMENTS

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

| | | December 31, 2018 | June 30, 2018 |
|--|--|--------------------------|----------------------|
| | | Rupees | Rupees |
| | | (Un-Audited) | (Audited) |
| 11.1 Financial assets | | | |
| Cash in hand | | 543,286 | - |
| Loans and receivables | | | |
| Long term deposits | | 7,090,700 | 7,090,700 |
| Trade debts | | 507,435,553 | 738,488,296 |
| Advances to employees | | 2,281,115 | 599,419 |
| Bank balances | | 34,229,740 | 16,953,009 |
| | | 551,037,108 | 763,131,424 |
| Available for sale financial assets | | | |
| Investments in mutual funds | | 11,265,307 | 13,184,825 |
| Investments in listed equity securities | | 455,470,142 | 437,848,698 |
| | | 466,735,449 | 451,033,523 |
| | | 1,018,315,843 | 1,214,164,947 |

| | December 31, 2018 | June 30, 2018 |
|--|----------------------|----------------------|
| | <i>Rupees</i> | <i>Rupees</i> |
| | <i>(Un-Audited)</i> | <i>(Audited)</i> |
| 11.2 Financial liabilities | | |
| <i>Financial liabilities at amortized cost</i> | | |
| Long term finances | 1,963,132,264 | 1,901,468,741 |
| Short term borrowings | 2,259,302,528 | 2,227,456,568 |
| Accrued interest/markup | 69,475,724 | 51,481,017 |
| Trade creditors | 86,875,215 | 46,165,450 |
| Accrued liabilities | 254,015,309 | 241,195,445 |
| Unclaimed dividend | 6,012,262 | 4,908,619 |
| | 4,638,813,302 | 4,472,675,840 |

12 FAIR VALUE MEASUREMENTS

The Company measures some of its financial instruments at fair value at the end of each reporting period. 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 (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 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:

12.1 Financial instruments measured at fair value

12.1.1 Recurring fair value measurements

| Financial instruments | Hierarchy | Valuation techniques and key inputs | December 31, 2018 | June 30, 2018 |
|--|-----------|---------------------------------------|---------------------|------------------|
| | | | <i>Rupees</i> | <i>Rupees</i> |
| | | | <i>(Un-Audited)</i> | <i>(Audited)</i> |
| Available for sale financial assets | | | | |
| Investments in mutual funds | Level 1 | Quoted bid prices in an active market | 11,265,307 | 13,184,825 |
| Investments in listed equity securities | Level 1 | Quoted bid prices in an active market | 455,470,142 | 437,848,698 |

12.1.2 Non-recurring fair value measurements

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

12.2 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.

12.3 Assets and liabilities other than financial instruments.

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

13 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.

14 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.

15 GENERAL

15.1 There are no other significant activities since June 30, 2018 affecting the interim financial statements.

15.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

15.3 Figures have been rounded off to the nearest Rupee.

Lahore : February 26, 2019



Shahzada Ellahi Shaikh
Chairman



Muhammad Ahmad
Chief Financial Officer



Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)



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