

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2013
(Un-Audited)**



ELLCOT SPINNING MILLS LTD.



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ELLCOT SPINNING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shaikh Enam Ellahi
Mr. Syed Moaz Mohiuddin
Mr. Jamal Nasim (Nominee NIT)
Mr. Shahzada Ellahi Shaikh
Mr. Shaukat Ellahi Shaikh
Mr. Amin Ellahi Shaikh
Mr. Shafqat Ellahi Shaikh

Non-Executive Director / Chairman
Independent Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Executive Director

MANAGING DIRECTOR (Chief Executive)

Mr. Shafqat Ellahi Shaikh

AUDIT COMMITTEE

Mr. Syed Moaz Mohiuddin
Mr. Shaukat Ellahi Shaikh
Mr. Amin Ellahi Shaikh
Mr. Shahzada Sultan Mubashir

Chairman
Member
Member
Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Amin Ellahi Shaikh
Mr. Shaikh Enam Ellahi
Mr. Shaukat Ellahi Shaikh
Mr. Muhammad Azam

Chairman
Member
Member
Secretary

EXECUTIVE COMMITTEE

Mr. Shaikh Enam Ellahi
Mr. Shahzada Ellahi Shaikh
Mr. Shaukat Ellahi Shaikh
Mr. Shafqat Ellahi Shaikh
Mr. Muhammad Azam

Chairman
Member
Member
Member
Secretary

CORPORATE SECRETARY

Mr. Shahzada Sultan Mubashir

CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Ahmad

AUDITORS

Messrs Rahman Sarfraz Rahim Iqbal Rafiq
Chartered Accountants

LEGAL ADVISOR

Bandial & Associates

LEAD BANKERS

Albaraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
HSBC Bank Middle East Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

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' REPORT TO THE MEMBERS

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

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the half year ended on December 31, 2013. As required by International Auditing Standards, Company's external auditors have reviewed the condensed interim financial information. The review report is attached herewith. The comparative figures for the corresponding half year ended on December 31, 2012 are included for comparison, except in balance sheet where figures are for the year ended on June 30, 2013 as required by International Accounting Standards.

Company Performance

The results for the 1st half year has been satisfactory. The Company earned after tax profit of Rs.192,498,991 (6.26% of sales) compared to Rs.192,314,815 (8.39% of sales). Earning Per Share (EPS) is Rs.17.58 compared to Rs.17.56 during the corresponding half year of the financial year 2012-13.

Sales revenue for the period under review increased by 33.98% over the corresponding period of previous year. Gross Profit (G.P) for the period is Rs.361,621,638 or 11.77% of sales compared to Rs.341,329,166 or 14.88% of sales for the corresponding half year of previous year. Growth in sales revenue is volume driven owing to continued strong demand from International markets. However, G.P ratio decreased slightly owing to increase in raw cotton prices and rise in energy costs during this half year compared to corresponding half year of last year.

Distribution costs increased to Rs.36,046,412 (1.17% of sales) compared to Rs.22,722,035 (0.99% of sales) mainly due to high proportion of export sales resulting in additional costs incurred on account of sales commission, ocean freights and other related expenses. Administrative costs increased taking in account the inflationary impact.

The Company has been able to generate stable cash flows and discharged all its operating and financial liabilities in time. Financial costs slightly increased over the corresponding period due to rise in interest rate, however, finance cost as percentage of sales has been reduced from 1.49% of sales to 1.33% of sales.

Future Outlook

The management is very much concerned about the growth and profitability of the Company. Uninterrupted supply and rise in tariff of energy shall be the main concern for the management, which may affect the profitability in the coming quarters. However, Exports are expected to perform better due to GSP plus status granted to Pakistan by European Union. The State bank of Pakistan (SBP) increased the interest rates by 1% in last six months and market is expecting a further rise.

Strong competition from competing countries has caused reduction in yarn prices. However, prices of raw material and costs of inputs are rising. The performance over the next quarters may be affected due to these adverse factors. Management is fully aware of this challenge and will strive to maintain profitability.

Acknowledgement

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

On behalf of the Board.

Shafqat Ellahi Shaikh

Mg. Director (Chief Executive)

Lahore : February 25, 2014



Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

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Iftikhar Ahmed Malik Road,
Canal Park, Gulberg II, Lahore.

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Auditors' report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Ellicot Spinning Mills Limited** ("the Company") as at December 31, 2013 and the related condensed interim profit and loss account, statement of profit or loss and other comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as ("the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the quarter ended December 31, 2013 of the condensed interim profit and loss account and statement of profit or loss and other comprehensive income have not been reviewed as we are required to review only cumulative figures for the six months 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 information consist 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

The Company has changed its accounting policy in respect of post-employment benefits, as referred to in note 3.1 to the condensed interim financial information and we concur with the change.

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

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ

Chartered Accountants

Engagement Partner: ZUBAIR IRFAN MALIK

Date: FEBRUARY 25, 2014

Place: LAHORE



Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, is a partnership firm registered in Pakistan and a member of Russell Bedford International, a global network of independent accounting firms and consultants with affiliated offices worldwide.



ELLCOT SPINNING MILLS LIMITED

Condensed Interim Balance Sheet as at December 31, 2013

<i>Note</i>	December 31, 2013	June 30, 2013	June 30, 2012
	<i>Rupees (Un-audited)</i>	<i>Rupees (Audited) (restated)</i>	<i>Rupees (Audited) (restated)</i>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized capital</i>			
20,000,000 (June 30, 2013: 20,000,000) ordinary shares of Rs. 10 each	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	109,500,000	109,500,000	109,500,000
Capital reserve	7,760,000	7,760,000	7,760,000
Accumulated profit	1,217,134,728	<u>1,134,135,737</u>	<u>851,920,434</u>
TOTAL EQUITY	1,334,394,728	<u>1,251,395,737</u>	<u>969,180,434</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances	281,250,000	294,826,393	206,386,641
Liabilities against assets subject to finance lease	6,880,280	8,927,987	17,117,921
Employees retirement benefits	35,892,476	36,797,059	17,150,994
Deferred taxation	75,138,055	75,138,055	75,640,186
	399,160,811	415,689,494	316,295,742
CURRENT LIABILITIES			
Trade and other payables	292,967,755	245,106,852	173,609,529
Accrued interest/mark-up	13,364,706	10,729,631	13,477,934
Short term borrowings	756,751,134	160,781,337	251,803,640
Current portion of non-current liabilities	67,272,358	101,571,999	127,834,665
	1,130,355,953	518,189,819	566,725,768
TOTAL LIABILITIES	1,529,516,764	933,879,313	883,021,510
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES	2,863,911,492	<u>2,185,275,050</u>	<u>1,852,201,944</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Lahore : February 25, 2014


Amin Ellahi Shaikh
 Director



ELLCOT SPINNING MILLS LIMITED

	<i>Note</i>	December 31, 2013	June 30, 2013	June 30, 2012
		<i>Rupees</i> <i>(Un-audited)</i>	<i>Rupees</i> <i>(Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7	984,114,767	1,002,596,544	895,585,042
Long term deposits		7,090,700	7,090,700	7,509,290
		991,205,467	1,009,687,244	903,094,332
CURRENT ASSETS				
Stores, spares and loose tools		57,907,175	48,681,445	32,859,717
Stock in trade		1,536,415,672	697,920,197	736,731,198
Trade debts		201,951,184	200,969,718	88,104,410
Advances, prepayments and other receivables		51,336,880	90,109,984	57,272,629
Short term investments		-	-	45,160
Advance income tax		5,315,259	32,813,872	17,861,755
Cash and Bank balances		19,779,855	105,092,590	16,232,743
		1,872,706,025	1,175,587,806	949,107,612
TOTAL ASSETS		<u>2,863,911,492</u>	<u>2,185,275,050</u>	<u>1,852,201,944</u>


Shafqat Ellahi Shaikh
 Mg. Director (Chief Executive)



ELLCOT SPINNING MILLS LIMITED

Condensed Interim Profit and Loss Account (*Un-audited*) for the half year ended December 31, 2013

	Note	Half year ended		Quarter ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		Rupees	Rupees	Rupees	Rupees
Sales -net		3,072,980,596	2,293,535,183	1,541,596,989	1,146,338,739
Cost of sales	8	(2,711,358,958)	(1,952,206,017)	(1,391,354,249)	(972,790,942)
Gross profit		361,621,638	341,329,166	150,242,740	173,547,797
Distribution cost		(36,046,412)	(22,722,035)	(20,870,671)	(12,478,118)
Administrative expenses		(35,059,797)	(30,972,477)	(17,259,592)	(13,814,548)
Other operating expenses		(17,809,293)	(15,902,044)	(6,381,728)	(7,926,354)
		(88,915,502)	(69,596,556)	(44,511,991)	(34,219,020)
		272,706,136	271,732,610	105,730,749	139,328,777
Other income		3,863,089	3,036,993	824,927	1,208,266
Operating profit		276,569,225	274,769,603	106,555,676	140,537,043
Finance cost		(40,806,235)	(34,258,942)	(24,981,998)	(19,757,692)
Profit before taxation		235,762,990	240,510,661	81,573,678	120,779,351
Provision for taxation	9	(43,263,999)	(48,195,846)	(15,264,959)	(24,325,196)
Profit after taxation		192,498,991	192,314,815	66,308,719	96,454,155
Earnings per share -basic and diluted		17.58	17.56	6.06	8.81

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Amin Ellahi Shaikh
Director

Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : February 25, 2014



ELLCOT SPINNING MILLS LIMITED

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (*Un-audited*) for the half year ended December 31, 2013

	Half year ended		Quarter ended	
	December 31, 2013 <i>Rupees</i>	December 31, 2012 <i>Rupees</i>	December 31, 2013 <i>Rupees</i>	December 31, 2012 <i>Rupees</i>
Profit after taxation	192,498,991	192,314,815	66,308,719	96,454,155
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>192,498,991</u>	<u>192,314,815</u>	<u>66,308,719</u>	<u>96,454,155</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Lahore : February 25, 2014


Amin Ellahi Shaikh
Director


Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)



ELLCOT SPINNING MILLS LIMITED

Condensed Interim Cash Flow Statement (Un-audited) for the half year ended December 31, 2013

	December 31, 2013	December 31, 2012
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	235,762,990	240,510,661
Adjustments for non-cash items		
Depreciation	50,853,147	44,883,460
Provision for employees retirement benefits	4,360,367	4,350,948
Loss on disposal of property, plant and equipment	478,144	62,940
Foreign exchange loss	1,580	596,763
Gain on sale of short term investments	(2,619,544)	(2,308,863)
Interest/mark-up on borrowings	40,806,235	31,033,234
	93,879,929	78,618,482
	329,642,919	319,129,143
Changes in working capital		
Stores, spares and loose tools	(9,225,730)	(9,411,955)
Stock in trade	(838,495,475)	(595,373,381)
Trade debts	(981,466)	(67,023,763)
Advances, prepayments and other receivables	38,773,104	(160,755,163)
Trade and other payables	46,730,250	68,294,167
	(763,199,317)	(764,270,095)
Cash used in operations	(433,556,398)	(445,140,952)
Payments for		
Interest/mark-up on borrowings	(38,171,160)	(34,616,605)
Income tax	(15,765,386)	(22,361,625)
Employees retirement benefits	(5,264,950)	(4,506,282)
Net cash used in operating activities	(492,757,894)	(506,625,464)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(35,894,844)	(11,240,189)
Proceeds from disposal of property, plant and equipment	3,045,330	2,960,362
Purchase of short term investments	(298,000,000)	(335,000,000)
Proceeds from disposal of short term investments	300,619,544	337,354,023
Net cash used in investing activities	(30,229,970)	(5,925,804)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	17,673,607	-
Repayment of long term finances	(62,636,641)	(64,285,655)
Repayment of liabilities against assets subject to finance lease	(4,960,707)	(4,261,746)
Dividend paid	(108,369,347)	(53,990,446)
Net increase in short term borrowings	595,968,217	626,589,219
Net cash generated from financing activities	437,675,129	504,051,372
NET DECREASE IN CASH AND CASH EQUIVALENTS	(85,312,735)	(8,499,896)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	105,092,590	16,232,743
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	19,779,855	7,732,847

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.


Amin Ellahi Shaikh
 Director

Lahore : February 25, 2014


Shafqat Ellahi Shaikh
 Mg. Director (Chief Executive)



**Condensed Interim Statement of Changes In Equity (Un-audited)
for the half year ended December 31, 2013**

	Note	Issued subscribed and paid-up capital <i>Rupees</i>	Capital reserve <i>Rupees</i>	Accumulated profit <i>Rupees</i>	Total equity <i>Rupees</i>
Balance as at July 01, 2012 - Audited		109,500,000	7,760,000	855,551,602	972,811,602
Change in accounting policy	3.1	-	-	(3,631,168)	(3,631,168)
Balance as at July 01, 2012 - Audited (restated)		109,500,000	7,760,000	851,920,434	969,180,434
Comprehensive income					
Profit after taxation		-	-	192,314,815	192,314,815
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	192,314,815	192,314,815
Transaction with owners					
Final dividend @ 50% i.e. Rs. 5 per ordinary share		-	-	(54,750,000)	(54,750,000)
Balance as at December 31, 2012 - Un-audited		109,500,000	7,760,000	989,485,249	1,106,745,249
Comprehensive income					
Profit after taxation - (restated)		-	-	160,062,339	160,062,339
Other comprehensive income - (restated)		-	-	(15,411,851)	(15,411,851)
Total comprehensive income		-	-	144,650,488	144,650,488
Transaction with owners					
		-	-	-	-
Balance as at June 30, 2013 - Audited (restated)		109,500,000	7,760,000	1,134,135,737	1,251,395,737
Comprehensive income					
Profit after taxation		-	-	192,498,991	192,498,991
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	192,498,991	192,498,991
Transaction with owners					
Final dividend @ 100% i.e. Rs. 10 per ordinary share		-	-	(109,500,000)	(109,500,000)
Balance as at December 31, 2013 - Un-audited		109,500,000	7,760,000	1,217,134,728	1,334,394,728

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.


Amin Ellahi Shaikh
Director


Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : February 25, 2014



**Notes to the Condensed Interim Financial Information (*Un-audited*)
for the half year ended December 31, 2013**

1 REPORTING ENTITY

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

2 BASIS OF PREPARATION

This interim financial information is reviewed, not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2013.

The comparative interim balance sheet as at June 30, 2013 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account, interim statement of profit or loss and other comprehensive income, interim cash flow statement, interim statement of changes in equity and related notes to the condensed interim financial information for the half year ended December 31, 2012 are based on unaudited, reviewed interim financial information. The interim profit and loss account and interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2013 and December 31, 2012 are neither audited nor reviewed.

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

2.2 Basis of measurement

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

2.3 Judgements, estimates and assumptions

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

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

2.4 Functional currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2013, except for the change referred to in note 3.1.



ELLCOT SPINNING MILLS LIMITED

3.1 During the period, the Company has changed its accounting policy in respect of post-employment benefits whereby actuarial gains and losses are recognized in other comprehensive income in the periods in which they occur. Current and past services costs, gains or losses on settlement and net interest on defined benefit obligation continue to be recognized in profit or loss. Prior to change, actuarial gains and losses are recognized in profit or loss using the '10% Corridor Approach'. The change has been applied retrospectively by adjusting the accumulated profits as at July 01, 2012 and June 30, 2013. Had there been no change, accumulated profits as at the reporting date would have been higher by Rs. 18,868,831.

4 ADOPTION OF NEW AND REVISED APPROVED ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

The following amendment to approved accounting standards are effective in the current period and relevant to the Company.

IAS 19 - Employee Benefits ('Revised 2011')

The revised standard, among other changes not relevant to the Company, has eliminated the option that allowed entities to defer the recognition of changes in net defined benefit liability under the '10% Corridor Approach' and has amended some of the disclosure requirements for defined benefit plans. The revised standard requires immediate recognition of actuarial gains and losses in other comprehensive income. Services costs and net interest are required to be recognized in profit or loss as they occur. The Company has adopted the revised standards which has resulted in change in accounting policy as referred to in note 3.1

IAS 34 - Interim Financial Reporting ('Amendments')

The amendments align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 - Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. Since the Company operates as a single reportable segment, the said amendment is not expected to have any impact.

5 SHORT TERM BORROWINGS

The aggregate available short term funded facilities amounts to Rs. 2,882 million (June 30, 2013: Rs. 3,127 million) out of which Rs. 2,125 million (June 30, 2013: Rs. 2,966 million) remained unavailed as at the reporting date.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies since June 30, 2013, with the exception of bills discounted/negotiated, which amount to Rs. 325,657,058 (June 30, 2013: Rs. 332,083,754) at the reporting date.

	<i>Note</i>	December 31, 2013	June 30, 2013
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
6.2 Commitments			
6.2.1 Commitments under irrevocable letters of credit for:			
- capital expenditure		71,824,500	-
- working capital		314,981,108	89,998,780
		386,805,608	89,998,780
6.2.2 Commitments under operating leases		528,000	264,000
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
- assets owned by the Company	7.1	943,854,692	970,594,146
- assets subject to finance lease	7.2	30,309,308	32,002,398
		974,164,000	1,002,596,544
Capital work in progress		9,950,767	-
		984,114,767	1,002,596,544



ELLCOT SPINNING MILLS LIMITED

	December 31, 2013	June 30, 2013
	<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
7.1 Assets owned by the Company		
Net book value at the beginning of the period/year	970,594,146	857,511,247
Additions during the period/year		
Factory building	3,364,017	-
Plant and machinery	18,899,494	189,598,938
Furniture and fittings	-	184,841
Office equipment	233,566	144,890
Vehicles	3,447,000	25,499,171
	25,944,077	215,427,840
Net book value of assets transferred from leased assets during the period/year	-	1,805,859
Net book value of assets disposed during the period/year	(3,523,474)	(14,036,576)
Depreciation for the period/year	(49,160,057)	(90,114,224)
Net book value at the end of the period/year	943,854,692	970,594,146
7.2 Assets subject to finance lease		
Net book value at the beginning of the period/year	32,002,398	38,073,795
Additions during the period/year	-	-
Net book value of assets transferred to owned assets during the period/year	-	(1,805,859)
Depreciation for the period/year	(1,693,090)	(4,265,538)
Net book value at the end of the period/year	30,309,308	32,002,398

	Half year ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Un-Audited)</i>

8 COST OF SALES

Raw material consumed	2,085,737,739	1,492,114,732	1,079,205,869	733,192,947
Fuel and power	282,625,359	214,791,839	147,194,102	126,665,038
Stores, spares and loose tools consumed	93,774,433	67,990,654	54,170,209	34,192,294
Salaries, wages and benefits	136,593,518	114,602,002	71,383,252	60,290,639
Insurance	5,278,925	5,264,246	2,580,933	2,495,381
Repair and maintenance	3,427,368	2,972,059	1,235,621	1,551,778
Depreciation	49,327,553	43,536,956	24,762,569	21,745,769
Other manufacturing overheads	8,875,159	10,956,020	4,295,386	6,512,825
	2,665,640,054	1,952,228,508	1,384,827,941	986,646,671
Work in process				
- at the beginning of the period	42,484,186	40,975,482	43,869,521	43,914,769
- at the end of the period	(54,701,453)	(45,656,470)	(54,701,453)	(45,656,470)
	(12,217,267)	(4,680,988)	(10,831,932)	(1,741,701)
	2,653,422,787	1,947,547,520	1,373,996,009	984,904,970
Finished goods				
- at the beginning of the period	72,989,279	73,375,095	52,592,880	57,563,072
- purchases during the period	20,181,532	972,302	-	11,800
- at the end of the period	(35,234,640)	(69,688,900)	(35,234,640)	(69,688,900)
	57,936,171	4,658,497	17,358,240	(12,114,028)
	2,711,358,958	1,952,206,017	1,391,354,249	972,790,942



ELLCOT SPINNING MILLS LIMITED

9 PROVISION FOR TAXATION

- 9.1 Provision for current tax has been made in accordance with the requirements of section 18 and section 154 of the Income Tax Ordinance, 2001.
- 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 arm's length transaction.

Details of transactions with related parties is as follows:

		Half year ended	
		December 31, 2013	December 31, 2012
		Rupees (Un-Audited)	Rupees (Un-Audited)
10.1	Transactions with related parties		
	Nature of relationship		
	Nature of transaction		
	Associated companies	11,361,233	1,246,502
		748,679,591	747,377,845
		26,634,610	13,317,305
	Key management personnel	5,769,382	5,074,268
		51,426,240	25,763,120

10.2 Balances with related parties

There are no balances with related parties as at the reporting date.

11 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require any adjustment or disclosure in this condensed interim financial report.

12 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 this condensed interim financial information.

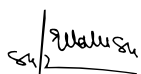
13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on February 25, 2014

14 GENERAL

- 14.1 There are no other significant activities since June 30, 2013 affecting the interim financial information.
- 14.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.
- 14.3 Figures have been rounded off to the nearest Rupee.


Amin Ellahi Shaikh
Director


Shafqat Ellahi Shaikh
Mg. Director (Chief Executive)

Lahore : February 25, 2014

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