



**ELLCOT SPINNING MILLS LTD.**

***Corporate Briefing  
Session***



# ELLCOT SPINNING MILLS LTD.

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# Nagina Group

**Nagina Group** founded in 1967 with the incorporation of Nagina Cotton Mills Limited by Mr. Shaikh Enam Ellahi (Late). Since then Nagina Group has expanded and comprises of following Companies:

COMPANY NAME	NATURE OF BUSINESS	STATUS OF COMPANY
Nagina Cotton Mills Ltd.	Textile Spinning	Public Listed
Ellcot Spinning Mills Ltd.	Textile Spinning	Public Listed
Prosperity Weaving Mills Ltd.	Textile Weaving	Public Listed
Ellahi International (Pvt) Ltd.	Trading	Private
ARH (Pvt) Ltd.	Trading	Private
Haroon Omer (Pvt) Ltd.	Construction / Trading	Private
Monell (Pvt) Ltd.	Trading	Private
ICARO (Pvt) Ltd.	Construction / Trading	Private
Pacific Industries (Pvt) Ltd.	Trading	Private



**ELLCOT SPINNING MILLS LTD.**

# ***Company Brief***



# ELLCOT SPINNING MILLS LTD.

## *Company Brief*

Ellecot Spinning Mills Limited ['the Company'] was incorporated in Pakistan on December 22, 1988 as a Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn.

The Company has various certifications like Global Organic Textile (GOTS) , Global Recycled Standard (GRS), Organic Content Standard (OCS) , Recycled Claim Standard (RCS), OEKO-TEX and ISO 2001:2015.

*Following is the geographical location and address of all business units of the Company:*

### **Registered / Head Office:**

Nagina House 91 – B-1, M.M. Alam Road, Gulberg-III, Lahore-54660, in the province of Punjab

### **Manufacturing facility:**

6.3 K.M, Manga Mandi, Raiwind Road, Mouza Rossa, Tehsil and District Kasur in the Province of Punjab

### **Liaison Office:**

2<sup>nd</sup> Floor, Shaikh Sultan Trust Building No.2, 26-Civil Lines, Beaumont Road, Karachi -75530, in the province of Sindh.



# ELLCOT SPINNING MILLS LTD.

## Board of Directors

### *Executive Directors*

#### **Mr. Shafqat Ellahi Shaikh**

- Graduate from Columbia University, New York
- Over 4 decades of experience within textile industry.
- Former Chairman APTMA (2006 – 07).
- Certified Director from ICAP.

#### **Mr. Haroon Ellahi Shaikh**

CEO

- Graduate from University of Manchester, England
- Over 13 years of experience within textile industry
- Certified Director from ICMAP



# ELLCOT SPINNING MILLS LTD.

## Board of Directors

### *Independent*

#### **Mr. Mohammad Babar Monnoo**

- Graduate
- Over 11 years of experience within textile industry.
- Certified Director from Lahore University of Management Sciences.

#### **Mr. Imran Motiwala**

- Marketing graduate.
- With a career spanning almost 25 years in the capital markets, he is a seasoned finance professional with experience ranging from stock broking to asset management.
- Certified Director from the Pakistan Institute of Corporate Governance.
- He has been serving as the Chief Executive Officer of AKD Investment Management Limited since 2009.
- Serving as a Director from 2007 and Chief Executive Officer of Golden Arrow Selected Stocks Fund Limited.

#### **Mrs. Faaria Rehman Salauddin**

- Masters in Business Administration (MBA) from the Lahore University of Management Sciences (LUMS).
- She has 21 years of diverse Corporate and Retail Banking experience with established/leading financial institutions i.e. ANZ Grindlays, SCB, HBL, UBL and Bank Alfalah Ltd.



# ELLCOT SPINNING MILLS LTD.

## Board of Directors *Non-Executive Directors*

<b>Mr. Jamal Nasim</b>	<b>Mr. Shahzada Ellahi Shaikh</b>	<b>Mr. Shaukat Ellahi Shaikh</b>
<ul style="list-style-type: none"><li>➤ Nominee of National Investment Trust Limited (NIT)</li><li>➤ MBA from The Asian Institute of Management, Manila, Philippine.</li><li>➤ Over 39-year professional experience in Banking, Finance and Audit fields.</li><li>➤ Certified Director from PICG.</li><li>➤ Certified Director from ICAP.</li></ul>	<ul style="list-style-type: none"><li>➤ Graduate from Karachi University, Karachi.</li><li>➤ Over 4 decades of experience within textile industry.</li></ul>	<ul style="list-style-type: none"><li>➤ Graduate from Columbia University, New York</li><li>➤ Over 4 decades of experience within textile industry</li><li>➤ Certified Director from PICG.</li></ul>





# ELLCOT SPINNING MILLS LTD.

## Board of Directors *Non-Executive Directors*

### Mr. Raza Ellahi Shaikh

- Graduate from Columbia University, U.S.A.
- Over 15 years of experience within textile industry.
- Certified Director from PICG.

### Mr. Amin Ellahi Shaikh

- Graduate from New York University, New York.
- Over 12 years of experience within textile industry.
- Certified Director from ICMAP.



# ELLCOT SPINNING MILLS LTD.

## Vision & Mission Statement

### **Vision:**

*To be a dynamic, profitable and growth oriented company.*

### **Mission:**

*To be the leading producer of cotton and blended yarn for knitting and weaving for local and international customers manufacturing well-known textile brands.*

*To strive for excellence and sustain position as a preferred supplier for yarn with a customer focused strategy.*

*Continuous enhancement the quality objectives for customer satisfaction and operational efficiencies.*

*To achieve the comparative advantage by employing latest technologies for enhancing the efficiency and productivity.*

*To build enduring relationship with our suppliers by giving them fair return on their products and services.*

*To provide a professional, open and participative environment to our dedicated employees for developing their potential and team performance.*

*To give consistent financial returns to the shareholders on their investments.*

*To be responsible to the society, employees and communities in which we operate by initiating health care, education and social welfare activities.*



# FINANCIAL HIGHLIGHTS



# ELLCOT SPINNING MILLS LTD.

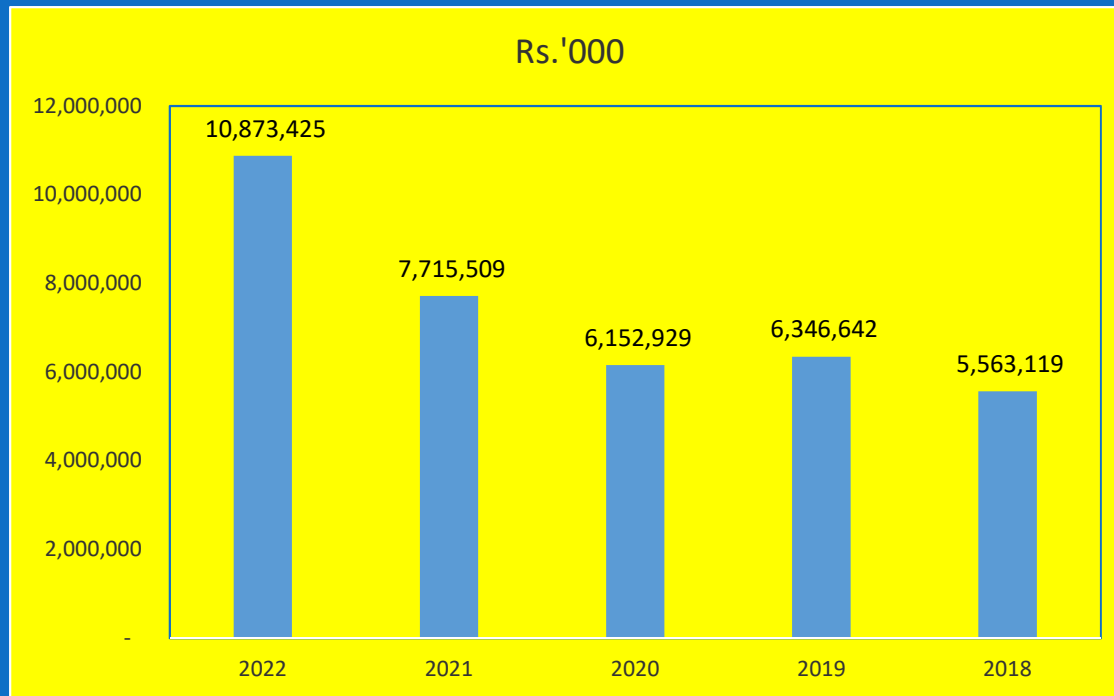
## Financial Highlights

		Qtr Ended	For the Year Ended June 30,				
		30-Sep-22	2022	2021	2020	2019	2018
Sales	Rs.'000	3,037,026	10,873,425	7,715,509	6,152,929	6,346,642	5,563,119
Gross profit	Rs.'000	346,925	2,148,878	1,399,137	757,673	640,754	406,645
Profit before tax	Rs.'000	198,581	1,629,169	1,016,226	361,369	167,489	132,008
Profit after tax	Rs.'000	130,118	1,231,300	813,597	225,879	204,769	130,515
Earnings per share - after tax	Rs.	11.88	112.45	74.30	20.63	18.70	11.92
Cash Dividend Per Share	Rs.		10.00	10.00	-	6.00	6.00
Market value per share as on 30 June	Rs.		162.99	123.01	89.98	79.00	71.40
Dividend payout	%		8.89	13.46	-	32.09	50.34
Dividend yield	%		6.72	8.13	-	7.59	8.40



# ELLCOT SPINNING MILLS LTD.

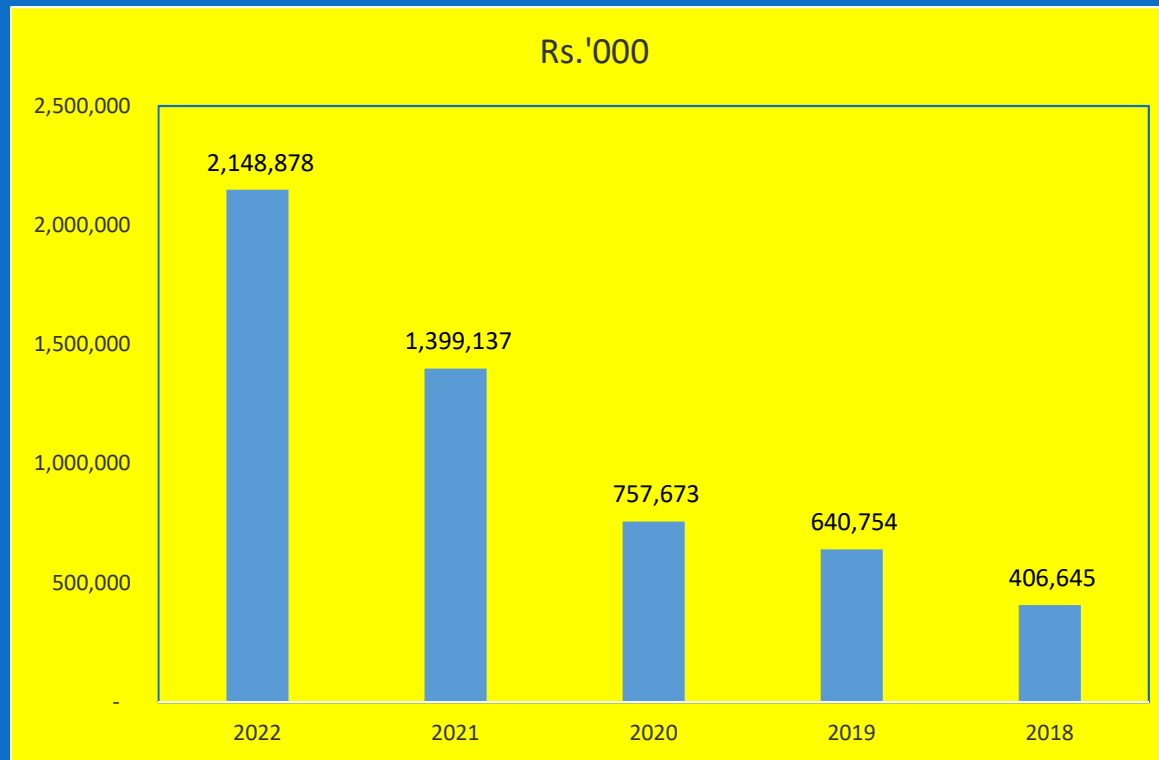
## Sales





# ELLCOT SPINNING MILLS LTD.

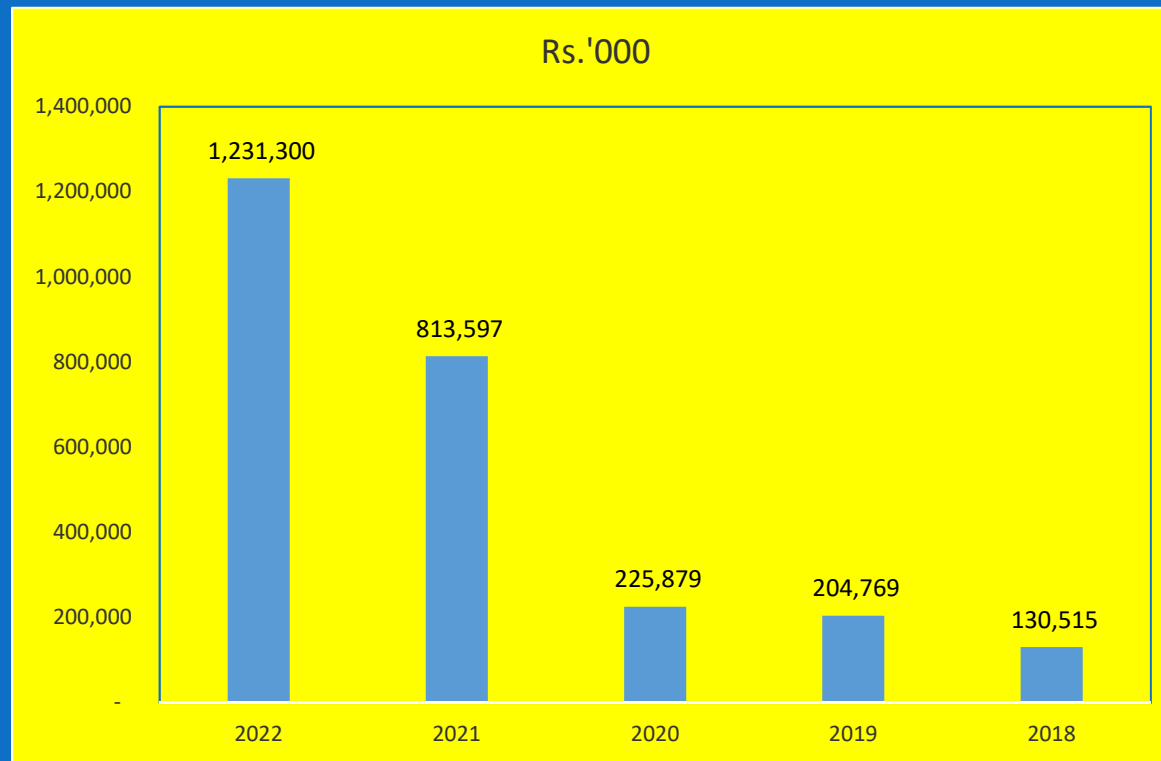
## Gross Profit





# ELLCOT SPINNING MILLS LTD.

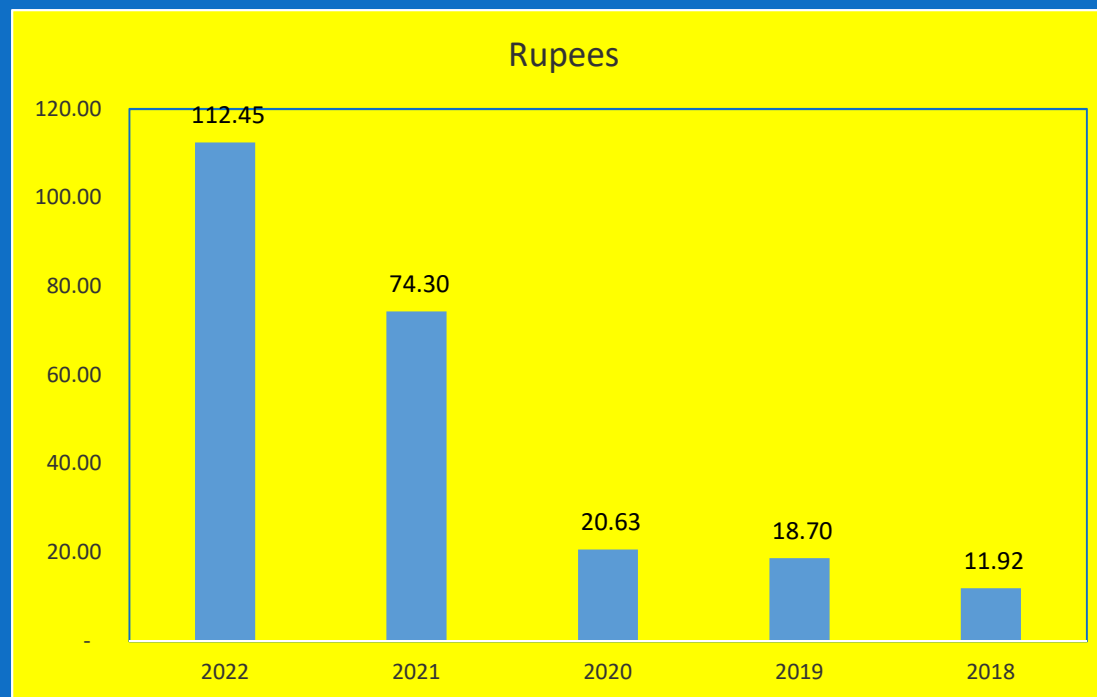
## Profit After Tax





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## Earnings Per Share

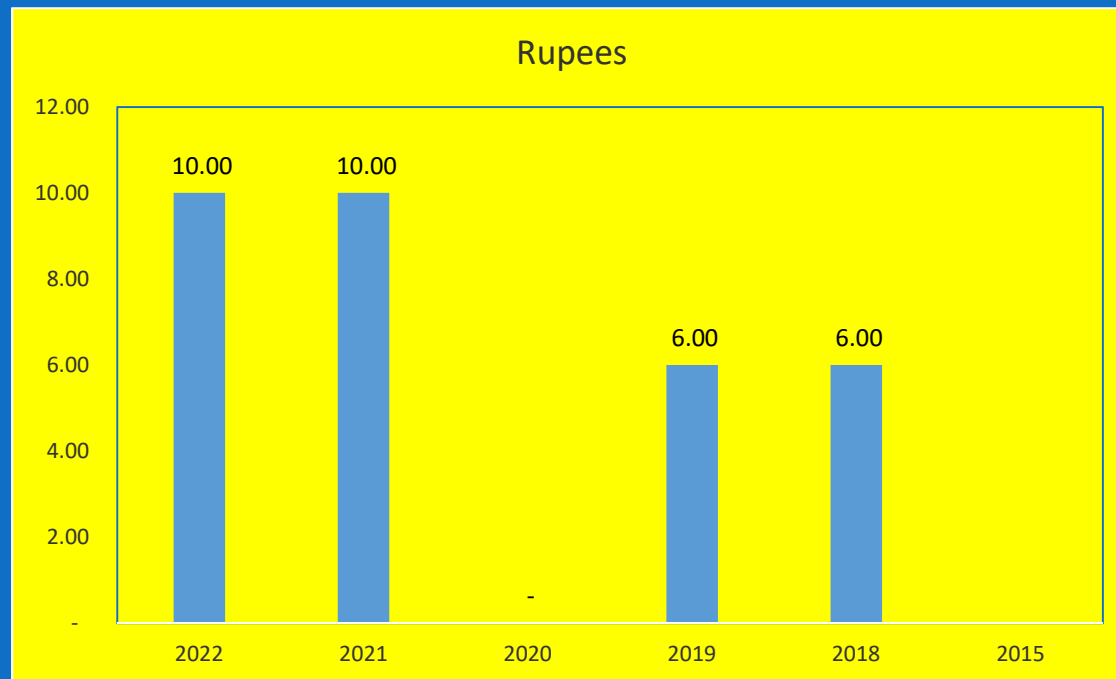






# ELLCOT SPINNING MILLS LTD.

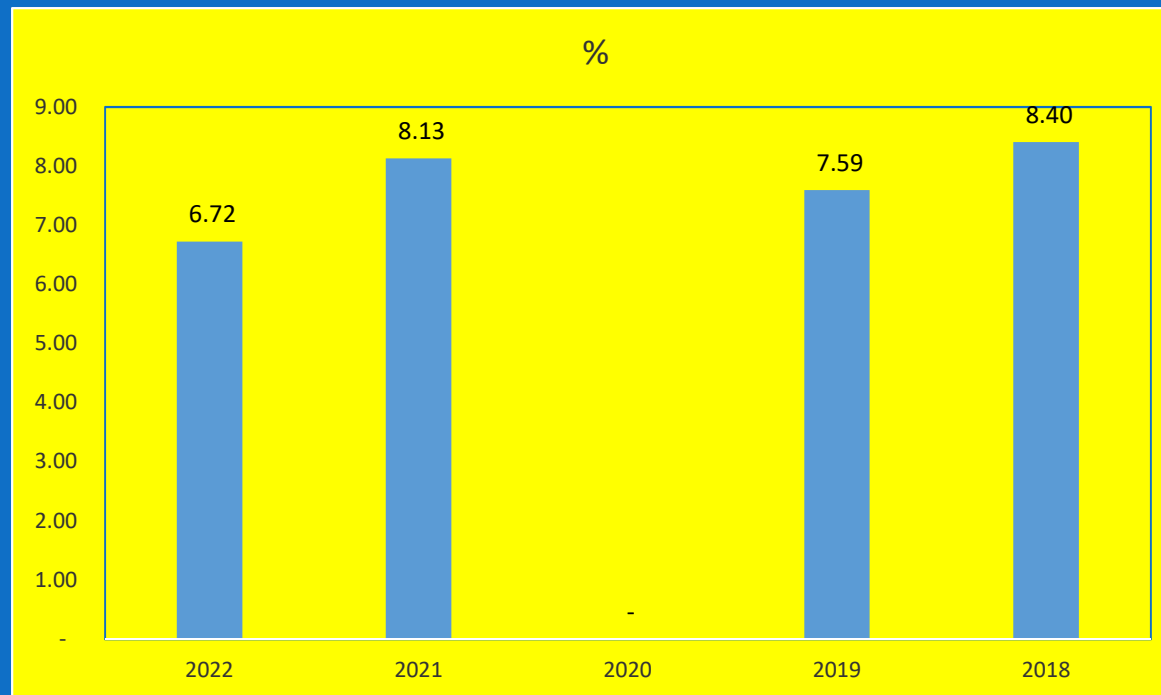
## Cash Dividend





# ELLCOT SPINNING MILLS LTD.

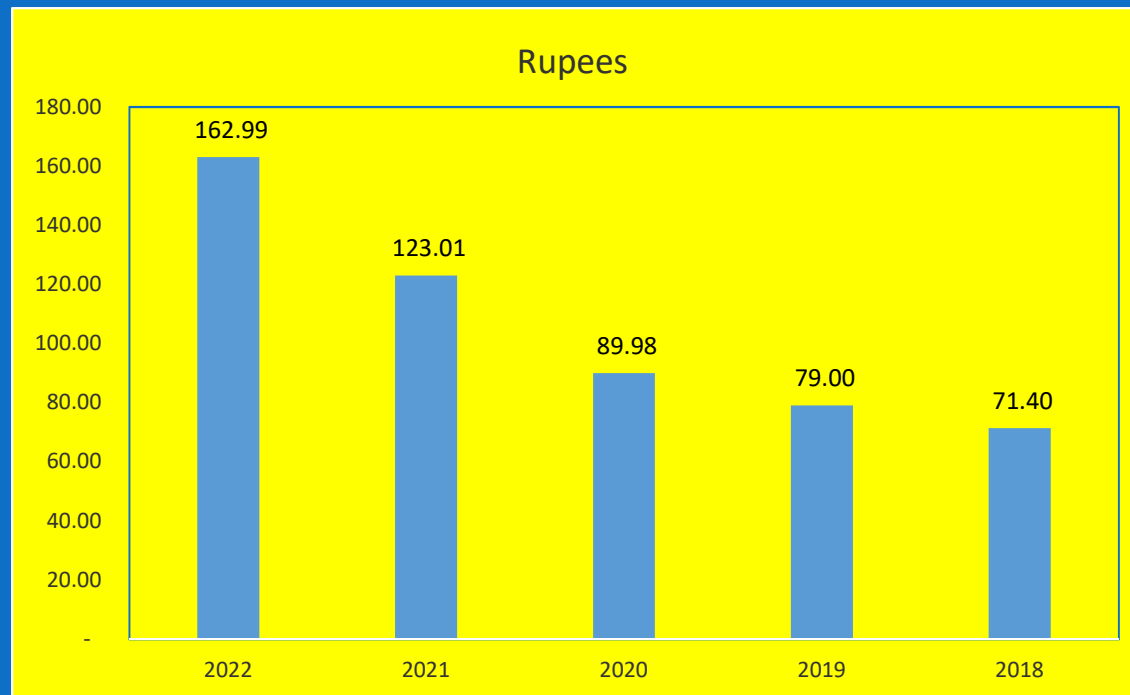
## Dividend Yield





# ELLCOT SPINNING MILLS LTD.

## Market Rate as on June 30,





# ELLCOT SPINNING MILLS LTD.

## Financial Highlights

### Balance Sheet

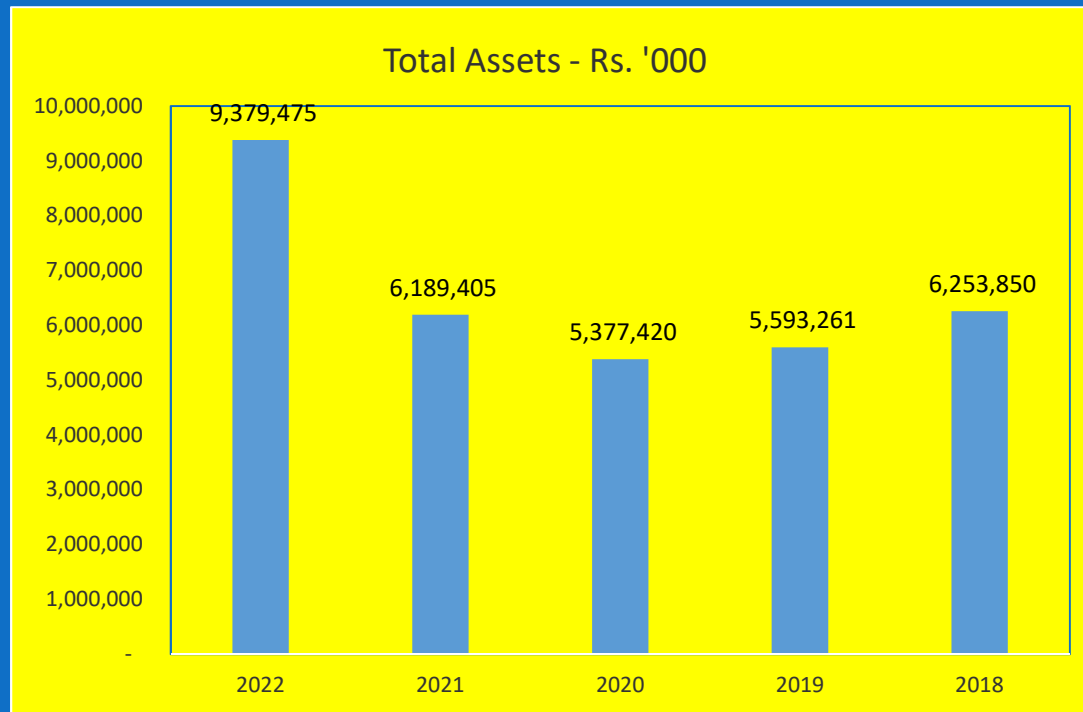
	Qtr Ended	For the Year Ended June 30,				
	30-Sep-22	2022	2021	2020	2019	2018
	Rupees in '000					
Non-Cuurrent Assets	4,154,023	4,081,594	2,842,847	2,460,423	2,569,864	2,651,635
Current Assets	5,143,401	5,297,880	3,346,559	2,916,997	3,023,397	3,602,215
<b>Total assets</b>	<b>9,297,424</b>	<b>9,379,474</b>	<b>6,189,405</b>	<b>5,377,420</b>	<b>5,593,261</b>	<b>6,253,850</b>
Equity	3,862,015	3,738,930	2,552,071	1,755,131	1,634,434	1,549,270
Long term Liability	3,767,118	3,713,947	2,529,110	2,083,557	1,802,661	1,927,595
Current Liability	1,668,291	1,926,597	1,108,224	1,538,732	2,156,167	2,776,985
<b>Total Equity and Liblity</b>	<b>9,297,424</b>	<b>9,379,474</b>	<b>6,189,405</b>	<b>5,377,420</b>	<b>5,593,261</b>	<b>6,253,850</b>
<b>Number of spindles installed</b>	<b>62,400</b>	<b>62,400</b>	<b>61,968</b>	<b>61,968</b>	<b>61,968</b>	<b>61,968</b>
Financial Leverage	1.41	1.51	1.43	2.06	2.42	3.04
Current Ratios	3.08	2.75	3.02	1.90	1.40	1.30



# ELLCOT SPINNING MILLS LTD.

## Financial Highlights

### Balance Sheet

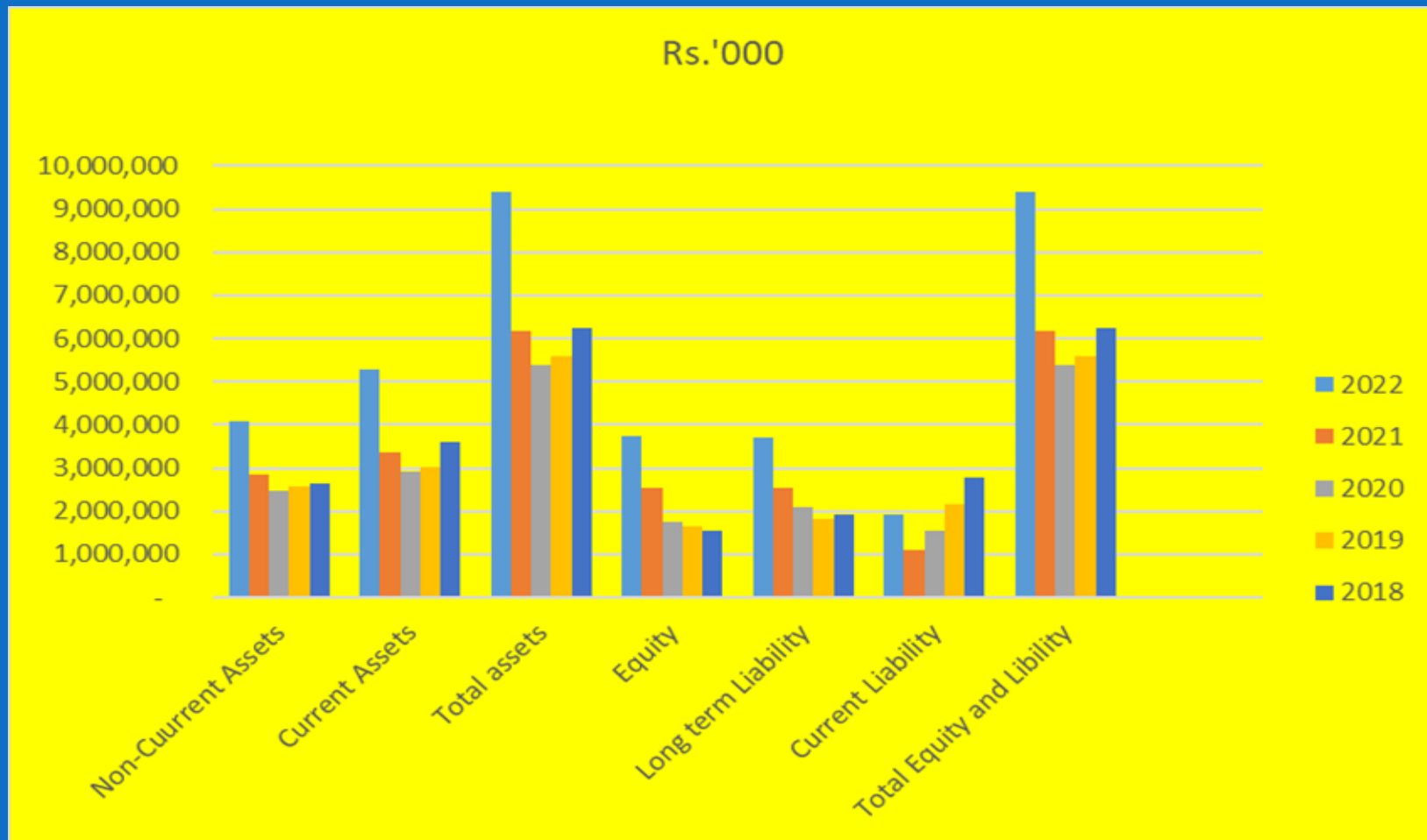




# ELLCOT SPINNING MILLS LTD.

## Financial Highlights

### Balance Sheet





# ELLCOT SPINNING MILLS LTD.

## Operations / Business

### *Future Outlook*

- We are observing high volatility in exchange rates, product prices and uncertain markets.
- Demand for yarn is suffering due to high inventory with our customers and the predictions of a worldwide recession.
- Floods in Pakistan have damaged the local raw cotton crop. Raw cotton shortage will trigger expensive imports and damage the competitiveness of the Pakistan textile industry.
- Energy shortages particularly in gas combined with electricity load shedding is affecting production. Rising prices of both gas and electricity will add to the difficulties.
- Customers are complaining of sudden drop in demand for finished goods putting downward pressure on yarn prices.



# ELLCOT SPINNING MILLS LTD.

## Operations / Business

### *Future Outlook*

- The Russia/Ukraine conflict is also casting its shadow. The IMF program is forcing restrictive economic policies which is reducing demand as well as increasing cost of production.
- The State Bank of Pakistan (SBP) policy rate of 15% will significantly raise the financial costs. Long-term borrowing costs have also been raised by the SBP on the long-term financing facility (LTFF). Disbursements of LTFF loans are delayed causing further rise in financial costs. The delay period for LTFF loans disbursements is uncertain. This delay is increasing the financial costs of the company.
- The government has raised Minimum wages for workers and this will raise the labour cost significantly. The combination of high labour costs, gas shortages, higher electricity costs, significantly higher financial costs and the looming international recession is likely to reduce company profitability.
- Unfortunately, all these factors have further intensified and depressed the outlook for the foreseeable future.





# ELLCOT SPINNING MILLS LTD.

## Operations / Business

### *Future Outlook*

- After vigorous negotiations by the business associations Pakistan Government has agreed to give a concessional electricity rate of Rs. 19.99 per KW up to June, 2023 to export oriented sector. This is a welcome step and will help the textile industry. However, gas supply disruptions are expected during the winter months which will affect production and reduce profitability.
- However, management is striving to manage the prevailing adverse situation. Our strengths lie in good liquidity position, the efficiency of our spinning mills, use of latest spinning technology, strict cost controls, lowering of overheads due to expansion and BMR, aggressive marketing strategies and value-added yarns. These are the pillars on which our company will build the defensive structure to remain profitable. It is also hoped that demand for finished goods produced by our customers will revive and restore margins for spinning industry.
- The BMR/ expansion program of the company is continuing at a steady pace and during the period 25,200 spindles have been installed along with related machinery and has started production. Another 16,800 spindles will be added in current financial year 2022-23. After the current BMR/Expansion plan is fully implemented in the next financial year the total installed capacity will be 79,200 spindles. We have further automated the plant by adding link conners. This will help in reduction of labor cost.



# ELLCOT SPINNING MILLS LTD.





Thank  
You