

**FIRST QUARTER REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2024
(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. Mohammad Babar Monnoo | Independent Non-Executive Director |
| Mr. Imran Motiwala | Independent Non-Executive Director |
| Mrs. Faaria Rehman Salahuddin | Independent Non-Executive Director |
| Mr. Jamal Nasim (NIT) | Non-Executive Director |
| Mr. Shaukat Ellahi Shaikh | Non-Executive Director |
| Mr. Raza Ellahi Shaikh | Non-Executive Director |
| Mr. Amin Ellahi Shaikh | Non-Executive Director |
| Mr. Shafqat Ellahi Shaikh | Executive Director |
| Mr. Haroon Shahzada Ellahi Shaikh | Executive Director |

MANAGING DIRECTOR (Chief Executive)

Mr. Haroon Shahzada Ellahi Shaikh

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

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

EXECUTIVE COMMITTEE

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

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Ahmad

HEAD OF INTERNAL AUDIT

Mr. Farjad Ashfaq

AUDITORS

Messrs Rahman Sarfraz Rahim Iqbal Rafiq
Chartered Accountants
Bandial & Associates

LEGAL ADVISOR

LEAD BANKERS

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
United Bank Ltd.

REGISTERED OFFICE

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

REGIONAL OFFICE

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

WEB REFERENCE

www.nagina.com

SHARE REGISTRAR

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

MILLS

6.3 K.M, Manga Mandi, Raiwind Road
Mouza Rossa, Tehsil & District Kasur



DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial statements of the Company for the 1st quarter ended on September 30, 2024. The comparative figures for the corresponding quarter ended on September 30, 2023 are included for comparison, except in statement of financial position where comparative figures are for the year ended on June 30, 2024.

Company Performance

Your Company has earned after tax profit of Rs. 84,285,721 compared to Rs. 20,613,833 during the same period of last year (SPLY). Earning per share (EPS) for the quarter is Rs. 7.70 compared to Rs. 1.88 for the SPLY.

Sales revenue for the quarter under review increased by 10.95% over the SPLY and stood at Rs. 3,984,204,839 compared to Rs. 3,590,955,440. The increase in revenue is mainly due to increase in sales volume and per unit selling rate. Cost of sales increased from 92.34% of sales during SPLY to 93.17% of sales during the period under review. Increase in cost of sales is mainly due to increase in raw material, power & fuel, salaries and wages. Increase in cost of sales resulted in lower Gross Profit (GP) from 7.66% of sales during SPLY to 6.83% of sales during the period under review.

Overall operating expenses decreased from 2.30% of sales during SPLY to 2.17% of sales during the period under review. Finance cost decreased from 3.93% of sales during SPLY to 2.53% of sales during the period under review. Decrease in finance costs is mainly due to lower working capital borrowing of the Company and declining Kibor trend. The company has been able to generate stable cash flows and made timely discharge of its operating and financial liabilities.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2024-25, Kapas, (seed cotton) arrivals up to October 15, 2024, at the Ginneries totalled 3.102 million bales compared to 5.996 million bales for SPLY showing decrease in arrival of 48.27%.

Future Outlook

The textile industry is currently facing major challenges due to declining demand in both global and domestic markets. Reduced orders from value-added sectors are pressurising profit margins, while rising costs for energy, labor, packaging, transportation, and administration are further straining the profitability. Shortfall in local cotton production is a further setback to the textile industry. Cotton production shortfall has led to increased reliance on imported raw cotton involving greater risks. The ongoing conflict in the Gulf region is severely disrupting supply chains and placing strain on global demand. As a result, the outlook for the second quarter of FY25 remains uncertain amid weak demand and escalating costs. In response, the management is actively implementing cost-reduction strategies, focusing on targeted marketing initiatives, and exploring product diversification to bolster the company's resilience.

Government reported lower rate of inflation which should help SBP to continue on the path of monetary easing. Financial analysts are expecting that SBP will announce further reduction of 3% to 4% in the policy rate. The State Bank of Pakistan (SBP) has effectively managed the country's Current Account, significantly reducing the deficit to minimal levels. Year-on-year growth in home remittances and exports has further bolstered the external account. Consequently, the Rupee has maintained stability against the US dollar.

It is hoped that the Government will bring in business friendly policies such as consistency in economic policies, uninterrupted energy supplies in cost effective manner, timely refund of outstanding taxes, controlling the inflation rate and reducing the financial costs. Government policies should encourage the completion of the value chain in the textile sector so that the country can export finished products.

Acknowledgement

Continued diligence and devotion of the staff and workers of the Company and good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their thanks to the bankers and other stakeholders for their continued support to the Company.

On behalf of the Board.


Shafqat Ellahi Shaikh
Director


Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore : October 29, 2024

ڈائریکٹرز کا جائزہ

محکمہ نظماً 30 ستمبر 2024 کو تختہ پھیل سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منہدم عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہی ہے۔ 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے شیئرنٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2024 کو تختہ سال کے لئے ہیں۔

کمپنی کی کارکردگی

کمپنی نے گزشتہ سال کی اسی مدت کے دوران 20,613,833 روپے کے مقابلے میں زیر جائزہ سہ ماہی کے دوران 84,285,721 روپے بعد از ٹیکس منافع کمایا۔ سہ ماہی کی فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے دوران 1.88 روپے کے مقابلے میں 7.70 روپے ہے۔

زیر جائزہ سہ ماہی میں فروخت آمدنی گزشتہ سال کی اسی سہ ماہی کے دوران 10.95 فیصد تک زیادہ ہوئی اور گزشتہ سال کی اسی سہ ماہی کے دوران 3,590,955,440 روپے کے مقابلے میں 3,984,204,839 روپے رہی۔ آمدنی میں اضافہ بنیادی طور پر فروخت حجم اور فی یونٹ فروخت شرح میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کے 92.34 فیصد سے بڑھ کر زیر جائزہ سہ ماہی کے دوران فروخت کے 93.17 فیصد تک زیادہ ہوئی ہے۔ فروخت کی لاگت میں اضافہ بنیادی طور پر خام مال، توانائی اور ایندھن، تنخواہوں اور اجرتوں میں اضافہ کی وجہ سے ہوا ہے۔ فروخت کی لاگت میں اضافہ کے نتیجے میں مجموعی منافع (GP) گزشتہ سال کی اسی مدت کے دوران فروخت کے 7.66 فیصد سے کم ہو کر زیر جائزہ سہ ماہی کے دوران فروخت کا 6.83 فیصد تک کم ہوا۔

مجموعی کاروباری اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 2.30 فیصد سے کم ہو کر زیر جائزہ سہ ماہی کے دوران فروخت کے 2.17 فیصد تک ہوئے۔ مالی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کی 3.93 فیصد سے کم ہو کر زیر جائزہ سہ ماہی کے دوران فروخت کی 2.53 فیصد ہوئی۔ مالی لاگت میں کمی بنیادی طور پر کمپنی کے کم ورکنگ کیپٹل قرضوں اور کاربھر رجحان میں کمی کی وجہ سے ہوا ہے۔ کمپنی مستحکم نقد بہاؤ کمانے اور اپنے تمام کاروباری واجبات اور مالی ادائیگیاں بروقت ادا کرنے کے قابل رہی ہے۔

پاکستان کاشن جزاویسیو اینیشن کی طرف سے فصل سال 2024-25 کے لئے جاری کردہ اعداد و شمار کے مطابق 15 اکتوبر 2024 تک جزیر میں کپاس، (بیج کپاس) کی پینچ گزشتہ سال کی اسی مدت کے دوران 5,996 ملین گانٹھوں کے مقابلے میں 3,102 ملین گانٹھیں ہوئی جو کہ 48.27 فیصد کا اضافہ ظاہر کر رہی ہے۔

مستقبل کا نقطہ نظر

ٹیکسٹائل کی صنعت اس وقت دونوں عالمی اور مقامی مارکیٹ میں کم طلب کی وجہ سے اہم مشکلات سے دوچار ہے۔ ویلیو ایڈڈ شیئوں سے کم آرڈر منافع مارجن کو کم کر رہے ہیں، جبکہ توانائی، لیبر، پیکیٹنگ، ٹرانسپورٹیشن اور انتظامی اخراجات میں اضافہ منافع کو مزید کم کر سکتا ہے۔ کپاس کی مقامی پیداوار میں کمی بھی ٹیکسٹائل انڈسٹری کی مشکلات کو مزید بڑھا رہی ہے۔ کپاس کی پیداوار میں کمی کی وجہ سے درآمد شدہ خام کپاس پر زیادہ اخصار سے خطرات میں اضافہ ہوا ہے۔ خلیجی خطہ میں جاری تنازعہ سیلابی چین کو بری طرح متاثر کر رہا ہے اور عالمی طلب پر دباؤ ڈال رہا ہے۔ اس کے نتیجے میں، مالی سال 25 کی دوسری سہ ماہی کے لئے نقطہ نظر کمزور طلب اور بڑھتی ہوئی لاگت کی بدولت غیر یقینی ہے۔ اس کے جواب میں، انتظامیہ فعال طور پر لاگت میں کمی کی حکمت عملی پر عمل درآمد، ٹارگٹڈ مارکیٹنگ اقدامات پر توجہ مرکوز کر رہی ہے اور کمپنی کی لپک کو بڑھانے کے لئے مصنوعات کے تنوع کی متلاشی ہے۔

حکومت نے افراط زر کی کم شرح بیان کی ہے جس سے اسٹیٹ بینک پاکستان کو مالیاتی نرمی کی راہ پر گامزن رہنے میں مدد ملے گی۔ مالی تجزیہ کاروں کو امید ہے کہ اسٹیٹ بینک پاکستان پالیسی شرح میں مزید 3 سے 4 فیصد کمی کا اعلان کرے گا۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے ملک کے کرنٹ اکاؤنٹ کو مؤثر طریقے سے منظم کیا ہے، جس سے خسارے کو کم سے کم سطح تک نمایاں طور پر کم کیا گیا ہے۔ اندرون ملک ترسیلات زر اور برآمدات میں سال بہ سال اضافہ سے بیرونی کھاتوں کو مزید تقویت ملی ہے۔ نتیجتاً روپیہ نے امریکی ڈالر کے مقابلے میں استحکام برقرار رکھا ہے۔

امید ہے کہ حکومت معاشی پالیسیوں میں تسلسل، توانائی کی باقاعدگی فراہمی، واجب الادا ٹیکسوں کی بروقت واپسی، افراط زر کی شرح پر قابو پانے اور مالی اخراجات میں کمی جیسی کاروبار دوست پالیسیاں لائے گی۔ حکومتی پالیسیوں کو ٹیکسٹائل سیکٹر میں ویلیو چین کی تکمیل کی حوصلہ افزائی کرنی چاہیے تاکہ ملک تیار مصنوعات برآمد کر سکے۔

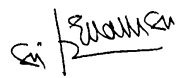
اظہار تشکر

کمپنی کے عملے اور کارکنوں کی مسلسل محنت اور جذبہ اور تمام سطحوں پر اچھے انسانی تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز کمپنی کی مسلسل حمایت پر بینکنگ زاور دیگر اسٹیٹ ہولڈرز کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ



بارون شہزادہ ای شیخ
چیف ایگزیکٹو آفیسر



شفیق الحق شیخ
ڈائریکٹر

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024**

| | | Un-Audited September 30 2024 | Audited June 30 2024 |
|--|------|------------------------------------|----------------------------|
| | Note | Rupees | Rupees |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized Share capital | | <u>400,000,000</u> | <u>400,000,000</u> |
| Issued Share capital | | 109,500,000 | 109,500,000 |
| Capital reserve | | 15,463,617 | 18,837,447 |
| Retained earnings | | 4,167,280,192 | 4,082,994,471 |
| TOTAL EQUITY | | <u>4,292,243,809</u> | <u>4,211,331,918</u> |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term finances | 4 | 3,287,010,867 | 3,440,775,886 |
| Employees retirement benefits | | 221,318,272 | 210,938,548 |
| Deferred taxation | | 156,856,138 | 156,856,138 |
| Deferred grant | 5 | 216,018,454 | 232,227,511 |
| | | <u>3,881,203,731</u> | <u>4,040,798,083</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 1,187,364,483 | 1,125,269,321 |
| Unclaimed dividend | | 8,141,187 | 8,141,187 |
| Accrued interest/profit | | 80,177,257 | 82,763,408 |
| Short term borrowings | | 164,866,818 | 147,508,995 |
| Current taxation | | 20,874,500 | 38,690,458 |
| Current portion of non-current liabilities | | 650,034,096 | 613,178,302 |
| | | <u>2,111,458,341</u> | <u>2,015,551,671</u> |
| TOTAL LIABILITIES | | <u>5,992,662,072</u> | <u>6,056,349,754</u> |
| CONTINGENCIES AND COMMITMENTS | 6 | | |
| TOTAL EQUITY AND LIABILITIES | | <u>10,284,905,881</u> | <u>10,267,681,672</u> |

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.



ELLCOT SPINNING MILLS LIMITED

| | | Un-Audited September 30 2024 | Audited June 30 2024 |
|---|-------------|---|-------------------------------------|
| | Note | Rupees | Rupees |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 7 | 4,720,516,513 | 4,843,948,424 |
| Long term deposits | | 7,136,100 | 7,090,700 |
| | | 4,727,652,613 | 4,851,039,124 |
| CURRENT ASSETS | | | |
| Stores and spares | | 158,303,307 | 123,797,155 |
| Stock in trade | | 1,755,609,425 | 1,936,694,440 |
| Trade receivables | | 1,125,811,403 | 1,073,868,958 |
| Advances, deposits, prepayments and other receivables | | 889,116,254 | 930,328,183 |
| Other financial assets | 8 | 1,386,722,006 | 1,104,644,600 |
| Tax refunds due from government | | 111,271,940 | 133,799,736 |
| Cash and bank balances | | 130,418,933 | 113,509,476 |
| | | 5,557,253,268 | 5,416,642,548 |
| TOTAL ASSETS | | <u>10,284,905,881</u> | <u>10,267,681,672</u> |

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.

Muhammad Ahmad
Chief Financial Officer

Haroon Shahzada Ellahi Shaikh
Chief Executive Officer



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

| | Note | Quarter Ended | |
|--|------|--------------------|--------------------|
| | | September 30 | September 30 |
| | | 2024 | 2023 |
| | | Rupees | Rupees |
| Revenue from contracts with customers - net | | 3,984,204,839 | 3,590,955,440 |
| Cost of sales | 9 | (3,712,281,908) | (3,315,909,014) |
| Gross profit | | 271,922,931 | 275,046,426 |
| Selling and distribution expenses | | (24,266,089) | (25,793,597) |
| Administrative expenses | | (62,055,726) | (56,919,683) |
| | | (86,321,815) | (82,713,280) |
| Other income | | 185,601,116 | 192,333,146 |
| | | 66,900,991 | 13,933,755 |
| Operating profit | | 252,502,107 | 206,266,901 |
| Finance cost | | (100,649,079) | (141,091,513) |
| Profit before statutory levies and taxation | | 151,853,028 | 65,175,388 |
| Provision for statutory levies | | (24,943,056) | (39,574,785) |
| Profit before taxation | | 126,909,972 | 25,600,603 |
| Provision for taxation | | (42,624,251) | (4,986,770) |
| Profit after taxation | | 84,285,721 | 20,613,833 |
| Earnings per share - basic and diluted | | 7.70 | 1.88 |

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.

Lahore : October 29, 2024


Shafqat Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Haroon Shahzada Ellahi Shaikh
Chief Executive Officer



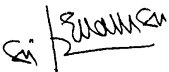
ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

| | Note | Quarter Ended | |
|--|------|----------------------|----------------------|
| | | September 30 2024 | September 30 2023 |
| | | Rupees | Rupees |
| Items that will not be reclassified to profit or loss | | | |
| Financial assets at fair value through OCI | 8.2 | (3,373,830) | 23,075,245 |
| Profit after taxation | | 84,285,721 | 20,613,833 |
| Total comprehensive income | | 80,911,891 | 43,689,078 |

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.

Lahore : October 29, 2024


Shafqat Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

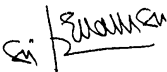


ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

| | Quarter Ended | |
|--|----------------------|----------------------|
| | September 30 2024 | September 30 2023 |
| | Rupees | Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 126,909,972 | 60,678,286 |
| Adjustments for non-cash and other items | | |
| Depreciation | 121,336,380 | 133,905,545 |
| Provision for employees retirement benefits | 18,150,312 | 15,374,442 |
| Gain on disposal of property, plant and equipment | (1,600,486) | (898,383) |
| Gain on disposal of short term investments | (11,958,713) | - |
| Changes in fair value of financial assets classified as at FVTPL | (48,308,753) | (89,258) |
| Finance Cost | 100,649,079 | 141,091,513 |
| Dividend income | (2,583,000) | (10,657,515) |
| | 175,684,819 | 278,726,344 |
| | 302,594,791 | 339,404,630 |
| Changes in working capital | | |
| Stores and spares | (34,506,152) | (20,964,765) |
| Stock in trade | 181,085,015 | (977,851,336) |
| Trade receivables | (51,942,445) | 272,717,129 |
| Advances and other receivables | 63,739,725 | 456,794,920 |
| Trade and other payables | 62,095,162 | 223,919,557 |
| | 220,471,305 | (45,384,495) |
| Cash generated from operations | 523,066,096 | 294,020,135 |
| Payments for: | | |
| Employees retirement benefits | (7,770,588) | (4,985,357) |
| Finance Cost | (103,235,230) | (133,711,560) |
| Income taxes | (60,440,209) | (28,526,291) |
| Long term deposits | (45,400) | - |
| Net cash generated from operating activities | 351,574,669 | 126,796,927 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (6,803,983) | (4,415,196) |
| Proceeds from disposal of property, plant and equipment | 10,500,000 | 1,815,000 |
| Purchase of short term investments | (560,000,000) | (11,815,516) |
| Proceeds from disposal of short term investments | 334,816,230 | 3,322,839 |
| Dividend received | 2,583,000 | 10,657,515 |
| Net cash used in investing activities | (218,904,753) | (435,358) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finances obtained | - | - |
| Repayment of long term finances | (133,118,282) | (84,375,532) |
| Net increase/(decrease) in short term borrowings | 17,357,823 | (21,412,055) |
| Dividend paid | - | (7,767) |
| Net cash used in from financing activities | (115,760,459) | (105,795,354) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 16,909,457 | 20,566,215 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 113,509,476 | 145,321,727 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 130,418,933 | 165,887,942 |

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.


Shafqat Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore : October 29, 2024

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

| | Share Capital | Capital reserves | | | Revenue reserve | Total equity |
|---|--|---|-------------------|--------------|------------------|---------------|
| | Issued, subscribed and paid-up share capital | Reserve for financial assets measured at FVTOCI | Reserve on merger | Total | Retained Earning | |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Balance as at July 01, 2023 | 109,500,000 | (84,961,726) | 7,760,000 | (77,201,726) | 3,988,289,232 | 4,020,587,506 |
| Comprehensive income | | | | | | |
| Profit after taxation | - | - | - | - | 20,613,833 | 20,613,833 |
| Other comprehensive income | - | 23,075,245 | - | 23,075,245 | - | 23,075,245 |
| Total comprehensive income | - | 23,075,245 | - | 23,075,245 | 20,613,833 | 43,689,078 |
| Balance as at September 30, 2023 (Un-audited) | 109,500,000 | (61,886,481) | 7,760,000 | (54,126,481) | 4,008,903,065 | 4,064,276,584 |
| Comprehensive income | | | | | | |
| Profit after taxation | - | - | - | - | 132,366,086 | 132,366,086 |
| Other comprehensive income / (loss) | - | 86,087,191 | - | 86,087,191 | (5,697,943) | 80,389,248 |
| Total comprehensive income | - | 86,087,191 | - | 86,087,191 | 126,668,143 | 212,755,334 |
| Other transactions | | | | | | |
| Transfer from reserve for financial assets at FVTOCI on derecognition | - | (15,341,117) | - | (15,341,117) | 15,341,117 | - |
| Related Taxation | - | 2,217,854 | - | 2,217,854 | (2,217,854) | - |
| Transactions with owners | | | | | | |
| Final dividend @ 60% i.e. Rs. 6 per ordinary share | - | (13,123,263) | - | (13,123,263) | 13,123,263 | - |
| Balance as at June 30, 2024 (Audited) | 109,500,000 | 11,077,447 | 7,760,000 | 18,837,447 | 4,082,994,471 | 4,211,331,918 |
| Comprehensive income | | | | | | |
| Profit after taxation | - | - | - | - | 84,285,721 | 84,285,721 |
| Other comprehensive loss | - | (3,373,830) | - | (3,373,830) | - | (3,373,830) |
| Total comprehensive (loss)/income | - | (3,373,830) | - | (3,373,830) | 84,285,721 | 80,911,891 |
| Balance as at September 30, 2024 (Un-audited) | 109,500,000 | 7,703,617 | 7,760,000 | 15,463,617 | 4,167,280,192 | 4,292,243,809 |

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.


Shafqat Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore : October 29, 2024



ELLCOT SPINNING MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN- AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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 regional office of the Company is situated at 2nd Floor, Shaikh Sultan Trust Building No. 2, 26 - Civil Lines, Beaumont Road, Karachi. The manufacturing facility is located at 6.3 K.M, Manga Mandi, Raiwind Road Mouza Rossa, Tehsil and District Kasur in the Province of Punjab measuring area of 236 Kanal 14 Marla.

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, 2024.

The comparative condensed interim statement of financial position as at June 30, 2024 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 quarter ended September 30, 2024 are based on unaudited, interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended September 30, 2024 and September 30, 2023 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 have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified otherwise.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2024.

4 LONG TERM FINANCES

From Banking companies

As at beginning of the period / year

Obtain during the period / year

Accretion during the period / year

Repayment made during the period / year

As at end of the period / year

Less: Current maturity presented shown under current liabilities

| Un-audited September 30 2024 Rupees | Audited June 30 2024 Rupees |
|--|--|
| 3,983,506,215 | 4,369,787,421 |
| - | - |
| 18,045,184 | 76,416,422 |
| (133,118,282) | (462,697,628) |
| 3,868,433,117 | 3,983,506,215 |
| (581,422,250) | (542,730,329) |
| 3,287,010,867 | 3,440,775,886 |



ELLCOT SPINNING MILLS LIMITED

| | Note | Un-audited September 30 2024 Rupees | Audited June 30 2024 Rupees |
|---|------|--|--------------------------------------|
| 5 DEFERRED GRANT | | | |
| As at beginning of the period / year | | 302,675,484 | 379,091,906 |
| Amortized during the period/ year | | (18,045,184) | (76,416,422) |
| As at end of the period / year | | <u>284,630,300</u> | <u>302,675,484</u> |
| Less: Current maturity presented shown under current liabilities | | <u>(68,611,846)</u> | <u>(70,447,973)</u> |
| | | <u>216,018,454</u> | <u>232,227,511</u> |
| 6 CONTINGENCIES AND COMMITMENTS | | | |
| 6.1 Contingencies | | | |
| There is no significant change in status of contingencies as disclosed in note 19.1 to the annual financial statement for the year ended June 30, 2024. | | | |
| 6.2 Commitments | | | |
| Irrevocable letters of credit for | | | |
| - purchase of stores and spare | | 27,225,192 | 29,442,273 |
| - purchase of raw material | | <u>2,535,169,979</u> | <u>972,941,382</u> |
| | | <u>2,562,395,171</u> | <u>1,002,383,655</u> |
| Short Term Lease | | | |
| - payments not later than one year | | 351,558 | 703,116 |
| | | <u>2,562,746,729</u> | <u>1,003,086,771</u> |
| 7 FIXED ASSETS | | | |
| Property, plant and equipment | | | |
| - Operating fixed assets | 7.1 | 4,714,655,230 | 4,843,948,424 |
| - Capital work in progress | 7.2 | 5,861,283 | - |
| | | <u>4,720,516,513</u> | <u>4,843,948,424</u> |
| 7.1 Operating fixed assets | | | |
| Net book value at the beginning of the period/year | | 4,843,948,424 | 5,348,493,610 |
| Additions during the period / year | | | |
| Buildings on freehold land | | - | 11,347,401 |
| Plant and machinery | | - | 1,231,257 |
| Electric Installation and Equipment | | - | 262,000 |
| Office equipment | | 120,000 | 1,108,100 |
| Furniture and fixtures | | 349,000 | 845,000 |
| Vehicles | | <u>473,700</u> | <u>20,411,400</u> |
| | | 942,700 | 35,205,158 |
| Net book value of assets disposed during the period/year | | (8,899,514) | (3,013,408) |
| Depreciation for the period/year | | <u>(121,336,380)</u> | <u>(536,736,936)</u> |
| Net book value at end of the period/year | | <u>4,714,655,230</u> | <u>4,843,948,424</u> |
| 7.2 Capital work in progress | | | |
| As at the beginning of the period/year | | - | 5,331,285 |
| Additions during the period / year | | 5,861,283 | 7,247,373 |
| Transfers to operating fixed assets | | - | (12,578,658) |
| | | <u>5,861,283</u> | <u>-</u> |
| As at end of the period/year | | <u>5,861,283</u> | <u>-</u> |
| 8 OTHER FINANCIAL ASSETS | | | |
| Financial assets at fair value through other comprehensive income | 8.1 | 77,924,280 | 81,298,110 |
| Financial assets at fair value through profit or loss | | 1,270,477,661 | 985,026,425 |
| Financial assets at amortized cost | | 38,320,065 | 38,320,065 |
| | | <u>1,386,722,006</u> | <u>1,104,644,600</u> |



ELLCOT SPINNING MILLS LIMITED

8.1 Financial assets at fair value through other comprehensive income

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

| | Un-audited September 30 2024 | Audited June 30 2024 |
|--|------------------------------------|----------------------------|
| | Rupees | Rupees |
| Investments in listed equity securities | | |
| Cost of investment | 68,031,706 | 68,031,706 |
| Changes in fair value | 9,892,574 | 13,266,404 |
| | 77,924,280 | 81,298,110 |
| | 77,924,280 | 81,298,110 |

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

| | September 30, 2024 | | |
|--|--|---------------------------|-----------------|
| | Listed equity securities Rupees | Mutual funds Rupees | Total Rupees |
| As at beginning of the period | 13,266,404 | - | 13,266,404 |
| Fair value gain arising during the period | (3,373,830) | - | (3,373,830) |
| Fair value gain/(loss) transferred to retained earning on disposal | - | - | - |
| As at end of the period | 9,892,574 | - | 9,892,574 |
| Deferred taxation as at the reporting date | (2,188,957) | - | (2,188,957) |
| Reserve for financial assets measured at FVTOCI | 7,703,617 | - | 7,703,617 |
| | | | |
| | June 30, 2024 | | |
| | Listed equity securities Rupees | Mutual funds Rupees | Total Rupees |
| As at beginning of the year | (99,320,407) | - | (99,320,407) |
| Fair value gain arising during the year | 127,927,928 | - | 127,927,928 |
| Fair value gain transferred to retained earnings on disposal | (15,341,117) | - | (15,341,117) |
| As at end of the year | 13,266,404 | - | 13,266,404 |
| Deferred taxation as at the reporting date | (2,188,957) | - | (2,188,957) |
| Reserve for financial assets measured at FVTOCI | 11,077,447 | - | 11,077,447 |

9 COST OF SALES

| | Quarter Ended (Un-audited) | |
|-----------------------------------|----------------------------|----------------------|
| | September 30 2024 | September 30 2023 |
| | Rupees | Rupees |
| Raw material consumed | 2,888,909,165 | 2,428,107,063 |
| Power and fuel | 614,207,910 | 412,204,549 |
| Stores and spares consumed | 51,903,718 | 74,599,239 |
| Packing material consumed | 36,917,880 | 42,815,990 |
| Salaries, wages and benefits | 153,551,228 | 122,770,637 |
| Insurance | 9,195,669 | 9,917,068 |
| Repair and maintenance | 4,595,317 | 7,076,151 |
| Depreciation | 118,156,037 | 131,035,599 |
| Other | 12,397,744 | 17,459,412 |
| Manufacturing cost | 3,889,834,668 | 3,245,985,708 |
| Work-in-process: | | |
| As at beginning of the period | 129,375,280 | 118,238,905 |
| As at end of the period | (123,741,458) | (112,624,083) |
| | 5,633,822 | 5,614,822 |
| Cost of goods manufactured | 3,895,468,490 | 3,251,600,530 |
| Finished goods: | | |
| As at beginning of the period | 284,315,672 | 304,978,028 |
| Purchased during the period | 1,059,380 | - |
| As at end of the period | (468,561,634) | (240,669,544) |
| | (183,186,582) | 64,308,484 |
| | 3,712,281,908 | 3,315,909,014 |



ELLCOT SPINNING MILLS LIMITED

10 TRANSACTIONS 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.

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

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

| Nature of Relationship | Nature of Transaction | Quarter Ended (Un-audited) | |
|--------------------------|---------------------------------|----------------------------|-------------------|
| | | September 30 2024 | September 30 2023 |
| | | Rupees | Rupees |
| Associated companies | Purchases | 17,700 | - |
| | Sales | 2,106,029,933 | 1,922,470,710 |
| | Rent expense | 351,558 | 334,818 |
| Key Management Personnel | Remuneration and other benefits | 9,304,167 | 9,304,167 |

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures some of its assets at fair value. 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:

11.1 Financial instruments measured at fair value

11.1.1 Recurring fair value measurements

| Nature of asset | Hierarchy | Valuation techniques/Key inputs | Un-audited | Audited |
|----------------------------------|-----------|-----------------------------------|-------------------|--------------|
| | | | September 30 2024 | June 30 2024 |
| Investments | | | Rupees | Rupees |
| Investments in equity securities | Level 1 | Quoted prices in an active market | 77,924,280 | 81,298,110 |
| Investments in mutual funds | Level 1 | Quoted prices in an active market | 1,270,477,661 | 985,026,425 |

11.1.2 Non-recurring fair value measurements

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

11.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

11.3 Assets and liabilities other than financial instruments.

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

12 DATE OF AUTHORIZATION FOR ISSUE

This un-audited condensed interim financial statements has been approved by the Board of Directors of the Company and authorized for issue on October 29, 2024.

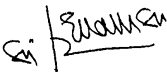
13 OTHERS

There are no other significant activities since June 30, 2024 affecting the condensed interim financial statements.

14 CORRESPONDING FIGURES

Corresponding figures have been rearranged and regrouped where ever necessary for the purpose of comparison. However no significant changes have been made.

Figures have been rounded off to the nearest Rupee.


Shafqat Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore : October 29, 2024

If undelivered please return to:

ELLCOT SPINNING MILLS LTD.

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