

**THIRD QUARTER REPORT
FOR THE PERIOD ENDED
MARCH 31, 2024
(Un-Audited)**



ELLCOT SPINNING MILLS LTD.



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ELLCOT SPINNING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shahzada Ellahi Shaikh	Non-Executive Director / Chairman
Mr. Mohammad Babar Monnoo	Independent Non-Executive Director
Mr. Imran Motiwala	Independent Non-Executive Director
Mrs. Faaria Rehman Salahuddin	Independent Non-Executive Director
Mr. Jamal Nasim (NIT)	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Non-Executive Director
Mr. Raza Ellahi Shaikh	Non-Executive Director
Mr. Amin Ellahi Shaikh	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Executive Director
Mr. Haroon Shahzada Ellahi Shaikh	Executive Director

MANAGING DIRECTOR (Chief Executive)

Mr. Haroon Shahzada Ellahi Shaikh

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

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

EXECUTIVE COMMITTEE

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

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Ahmad

HEAD OF INTERNAL AUDIT

Mr. Kashif Saleem

AUDITORS

Messrs Rahman Sarfraz Rahim Iqbal Rafiq
Chartered Accountants
Bandial & Associates

LEGAL ADVISOR

LEAD BANKERS

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 information of the Company for the third quarter ended on March 31, 2024. The comparative figures for the corresponding quarter ended on March 31, 2023 are included for comparison, except in statement of financial position where figures are for the year ended on June 30, 2023.

Company Performance

Despite challenging business environment, your company remained profitable during the quarter ended March 31, 2024 and earned a net after tax profit of Rs. 10,451,468 as compared to Rs. 112,168,838 during the same period of the last year (SPLY). Earning per share (EPS) for the quarter is Rs. 0.95 compared to Rs. 10.24 for the SPLY.

Sales revenue for the quarter under review increased by 36.50% over the SPLY and stood at Rs. 3,953,453,640 compared to Rs. 2,896,344,863. Cost of sales increased from 90.34% of sales during SPLY to 93.63% of sales during the period under review. The rise in cost of sales was primarily due to an increase in raw material, energy and store & spare costs, which led to lower gross profit. As a result, the company's gross profit margin decreased from 9.66% of sales during SPLY to 6.37% of sales during the period under review.

Overall operating expenses decreased from 3.12% of sales during SPLY to 2.34% of sales during the period under review. Finance cost increased to 2.78% of sales during the period under review as compared to 1.58% of sales during SPLY. Increase in finance costs is mainly due to rising interest rates. The long term finance cost has also risen because of the non availability of LTFF. The company has been able to generate stable cash flows and made timely discharge of its operating liabilities.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2023-24 (final data of the year), Kapas, (seed cotton) arrivals upto March 31, 2024, at the Gineries totalled 8.397 million bales compared to 4.912 million bales for the financial year 2022-23 showing increase in arrival of 70.94%.

Future Outlook

The textile industry is currently experiencing turbulent times. Both the global and domestic markets are bearish. Costs such as energy, wages, financials, administration, packaging materials, and transportation are under inflationary pressures. Moreover, the value-added chain is facing low demand. This downward trend in product demand is resulting in low margins in yarn prices. The predictability of costs during product sales has become increasingly challenging due to the escalating government-administered energy costs. After a brief surge in cotton market it has started to come down again because of uncertain conditions such as looming war fears in the middle east. This situation may put pressure on yarn prices.

The outlook for the last quarter of the financial year appears to be uncertain. However, we are optimistic that last quarter of the year would show better profitability because of improved yarn prices and timely cotton procurement by the Company.



ELLCOT SPINNING MILLS LIMITED

The challenge facing the company is to remain profitable despite inflation and reduced margins. Your management is aware of the current difficult situation and is consistently evaluating its approach to meet customer demands, search new export markets, enhance productivity through innovation, efficiency and effective cost management initiatives. We hope that the government will provide energy to the industry on regionally competitive rates. Bank borrowing rates continue to be on higher side pushing up financial costs of the company. Government statistics are showing that the inflation rate is falling steadily. It is hoped that the lower inflation outlook will enable the State Bank of Pakistan to lower the interest rates.

It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, refund of outstanding taxes, controlling the inflation rate and reducing the financial costs and release of LTF facility against the machinery against which LCs has already been retired. 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 gratitude to the bankers for their continued support to the Company.

On behalf of the Board.

Amin Ellahi Shaikh
Director

Lahore : April 29, 2024

Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

ڈائریکٹرز کا جائزہ

ڈائریکٹرز 31 مارچ 2024 کو تختہ تیسری سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منجمد عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے ٹینٹمنٹ آف فنانٹیل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2023 کو تختہ سال کے لئے ہیں۔

کمپنی کی کارکردگی

چیلنجنگ کاروباری ماحول کے باوجود، آپ کی کمپنی منافع بخش رہی اور 31 مارچ 2024 کو ختم ہونے والی سہ ماہی کے دوران بعد از ٹیکس خالص منافع 10,451,468 روپے جبکہ گزشتہ سال کی اسی سہ ماہی کے دوران 112,168,838 روپے بعد از ٹیکس خالص منافع درج کیا۔ زیر جائزہ سہ ماہی کے لئے فی شیئر آمدنی (EPS) گزشتہ سال کی اسی مدت کے لئے 10.24 روپے کے مقابلے 0.95 روپے ہے۔

زیر جائزہ سہ ماہی میں فروخت آمدنی گزشتہ سال کی اسی سہ ماہی سے 36.50 فیصد زیادہ ہوئی اور گزشتہ سال کی اسی مدت کے دوران 2,896,344,863 روپے کے مقابلے 3,953,453,640 روپے رہی ہے۔ فروخت کی قیمت گزشتہ سال کی اسی مدت کے دوران فروخت کی 90.34 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کی 93.63 فیصد تک ہو گئی۔ فروخت کی قیمت میں اضافہ بنیادی طور پر خام مال، توانائی اور سٹور ایجنٹس کی قیمتوں میں اضافہ کی وجہ سے ہوا، جس کے باعث مجموعی منافع کم ہو گیا۔ نتیجتاً، کمپنی کا مجموعی منافع مارچن گزشتہ سال کے اسی مدت کے دوران فروخت کے 9.66 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 6.37 فیصد تک ہو گیا۔

مجموعی کاروباری اخراجات گزشتہ سال کی اسی مدت کے دوران فروخت کے 3.12 فیصد سے کم ہو کر زیر جائزہ مدت کے دوران فروخت کے 2.34 فیصد ہوئے۔ مالی لاگت گزشتہ سال کی اسی مدت کے دوران فروخت کے 1.58 فیصد کے مقابلے زیر جائزہ مدت کے دوران بڑھ کر فروخت کے 2.78 فیصد ہو گئی۔ مالی لاگت میں اضافہ کی بنیادی وجہ شرح سود میں اضافہ ہے۔ طویل مدتی قرضہ کی لاگت بھی LTFF کی عدم دستیابی کی وجہ سے بڑھ گئی ہے۔ کمپنی مستحکم نقدی بہاؤ پیدا کرنے اور اپنے کاروباری واجبات کی بروقت ادائیگی کرنے میں کامیاب رہی۔

پاکستان کاٹن جزا سیوسی ایٹن کی طرف سے فصل سال 2023-24 (سال کے حتمی ڈیٹا) کیلئے جاری کردہ اعداد و شمار کے مطابق 31 مارچ 2024 تک جزا میں کپاس، (بیج کپاس) کی بیخ مالی سال 2022-23 کے اسی مدت تک کل 4.912 ملین گانٹھوں کے مقابلے 8.397 ملین گانٹھیں ہوئی جو کہ 70.94 فیصد کا اضافہ نظر کر رہی ہے۔

مستقبل کا نقطہ نظر

ٹیکسٹائل انڈسٹری کو اس وقت انتہائی مشکل دور کا سامنا ہے۔ دونوں عالمی اور مقامی مارکیٹیں مندی کا شکار ہیں۔ اخراجات جیسے کہ توانائی، اجرتیں، فنانسنگ، ایڈمنسٹریشن، پیکیجنگ میٹریل، اور ٹرانسپورٹیشن افراط زر کے دباؤ میں ہیں۔ اس کے علاوہ، ویلیو ایڈڈ چینز کم طلب کا سامنا کر رہی ہے۔ مصنوعات کی طلب میں اس کی کمی کے رجحان کے نتیجے میں یارن کی قیمتوں کا مارچن کم ہے۔ حکومت کے زیر انتظام توانائی کے بڑھتے ہوئے اخراجات کی وجہ سے مصنوعات کی فروخت کے دوران لاگت کا اندازہ لگانا مشکل ہوتا جا رہا ہے۔ کپاس کی منڈی میں معمولی تیزی کے بعد یہ دوبارہ نیچے آنا شروع ہو گئی ہے کیونکہ غیر یقینی حالات جیسے کہ مشرق وسطیٰ میں جنگ کے خدشات بڑھ رہے ہیں۔ یہ صورتحال یارن کی قیمتوں پر دباؤ ڈال سکتی ہے۔

مالی سال کی آخری سہ ماہی کا نقطہ نظر غیر یقینی دکھائی دیتا ہے۔ تاہم، ہم اُمید ہیں کہ کمپنی کی جانب سے یارن کی قیمتوں میں اضافہ اور کپاس کی بروقت خریداری کی وجہ سے سال کی آخری سہ ماہی میں منافع بہتر ہوگا۔

کمپنی کو درپیش چیلنج افراط زر اور کم مارچن کے باوجود منافع بخش رہنا ہے۔ آپ کی انتظامیہ موجودہ مشکل صورتحال سے آگاہ ہے اور صارفین کی طلب کو پورا کرنے، نئی برآمدی منڈیوں کی تلاش، جدت، کارکردگی اور لاگت کے موثر انتظامی اقدامات کے ذریعے پیداواری صلاحیت کو بڑھانے کے لیے اپنے نقطہ نظر کا مسلسل جائزہ لے رہی ہے۔ ہمیں اُمید ہے کہ حکومت صنعت کو علاقائی سطح پر سہولتی زخوں پر توانائی فراہم کرے گی۔ بینک سے قرض لینے کی شرحیں کمپنی کے مالی اخراجات میں اضافہ کر رہی ہیں۔ حکومتی اعداد و شمار بتاتے ہیں کہ مہنگائی کی شرح مسلسل گر رہی ہے۔ اُمید ہے کہ افراط زر کی شرح کم ہونے سے اسٹیٹ بینک آف پاکستان کو شرح سود کو کم کرنے میں مدد ملے گی۔

امید ہے کہ حکومت لاگت بچانے والے موثر انداز میں توانائی کی بلا تعلق فراہمی، بنٹا یا سائزنگس اور آگ ٹیکس کی واپسی، افراط زر کی شرح پر کنٹرول، مالی اخراجات کی کمی اور مشینری LCs جو پہلے ہی ریٹائر ہو چکی ہے کے مقابل LTFE سہولت کی واگزاری جیسی کاروبار دوست پالیسیاں لائے گی۔ حکومتی پالیسیاں ٹیکسٹائل سیکٹر میں ویلیو چین کی تکمیل کی حوصلہ افزاء ہونی چاہئیں تاکہ ملک تیار مصنوعات کو 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 بینکرز اور دیگر حصہ داروں کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

بارون شہزادہ الہی شیخ
چیف ایگزیکٹو آفیسر

امین الہی شیخ
ڈائریکٹر

لاہور: 29 اپریل 2024ء



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

		Un-Audited March 31 2024	Audited June 30 2023
	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		10,525,115	(77,201,726)
Retained earnings		3,987,464,921	3,988,289,232
TOTAL EQUITY		<u>4,107,490,036</u>	<u>4,020,587,506</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances	4	3,600,772,108	3,983,206,232
Employees retirement benefits		199,984,337	171,603,423
Deferred taxation		199,113,489	199,113,489
Deferred grant	5	249,174,200	302,675,484
		<u>4,249,044,134</u>	<u>4,656,598,628</u>
CURRENT LIABILITIES			
Trade and other payables		853,012,221	931,993,658
Unclaimed dividend		8,167,387	7,688,093
Accrued interest/profit		86,858,378	110,490,652
Short term borrowings		80,262,237	402,824,470
Income tax payable		47,006,334	7,566,355
Current portion of non-current liabilities		569,353,673	462,997,611
		<u>1,644,660,230</u>	<u>1,923,560,839</u>
TOTAL LIABILITIES		<u>5,893,704,364</u>	<u>6,580,159,467</u>
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		<u>10,001,194,400</u>	<u>10,600,746,973</u>

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

Lahore : April 29, 2024


Amin Ellahi Shaikh
Director



ELLCOT SPINNING MILLS LIMITED

		Un-Audited March 31 2024	Audited June 30 2023
	Note	Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	7	4,964,672,639	5,353,824,895
Long term deposits		7,090,700	7,090,700
		4,971,763,339	5,360,915,595
CURRENT ASSETS			
Stores and spares		169,385,787	147,500,214
Stock in trade		2,140,132,261	3,027,293,503
Trade receivables		827,378,755	945,283,223
Advances and other receivables		1,100,500,524	789,725,218
Other financial assets	8	626,521,122	184,707,493
Cash and bank balances		165,512,612	145,321,727
		5,029,431,061	5,239,831,378
TOTAL ASSETS		<u>10,001,194,400</u>	<u>10,600,746,973</u>

The annexed 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 NINE MONTHS ENDED MARCH 31, 2024

	Note	Nine Months Ended		Quarter Ended	
		March 31 2024	March 31 2023	March 31 2024	March 31 2023
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers - net		11,358,039,362	8,633,475,285	3,953,453,640	2,896,344,863
Cost of sales	9	(10,559,156,980)	(7,870,060,167)	(3,701,604,526)	(2,616,670,923)
Gross profit		798,882,382	763,415,118	251,849,114	279,673,940
Selling and Distribution expenses		(79,135,176)	(75,379,198)	(29,609,682)	(24,893,374)
Administrative expenses		(168,888,782)	(161,325,942)	(57,465,614)	(52,977,201)
Other expenses		(15,419,779)	(32,503,950)	(5,256,761)	(12,361,160)
		(263,443,737)	(269,209,090)	(92,332,057)	(90,231,735)
		535,438,645	494,206,028	159,517,057	189,442,205
Other income		46,425,815	56,505,198	20,151,086	8,763,300
Operating profit		581,864,460	550,711,226	179,668,143	198,205,505
Finance cost		(380,647,787)	(128,334,730)	(109,999,240)	(45,817,435)
Profit before taxation		201,216,673	422,376,496	69,668,903	152,388,070
Provision for taxation		(147,061,327)	(87,454,936)	(59,217,435)	(40,219,232)
Profit after taxation		54,155,346	334,921,560	10,451,468	112,168,838
Earnings per share - basic and diluted		4.95	30.59	0.95	10.24

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


Amin Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore : April 29, 2024



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	Nine Months Ended		Quarter Ended	
	March 31 2024 Rupees	March 31 2023 Rupees	March 31 2024 Rupees	March 31 2023 Rupees
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified to profit or loss				
Financial assets at fair value through OCI	98,447,184	(26,317,243)	120,399,639	(4,364,788)
Other comprehensive income / (loss)	98,447,184	(26,317,243)	120,399,639	(4,364,788)
Profit after taxation	54,155,346	334,921,560	10,451,468	112,168,838
Total comprehensive income	152,602,530	308,604,317	130,851,107	107,804,050

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

Lahore : April 29, 2024


Amin 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 NINE MONTHS ENDED MARCH 31, 2024

	Nine Months Ended	
	March 31 2024	March 31 2023
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	201,216,673	422,376,496
Adjustments for non-cash and other items		
Depreciation	402,027,098	308,151,993
Provision for employees retirement benefits	46,123,325	31,092,644
Gain on disposal of property, plant and equipment	(2,039,080)	(1,165,116)
Changes in fair value of other financial assets at FVTPL	(5,569,624)	(17,021)
Loss / (Gain) on disposal of other financial assets at FVTPL	442,371	(13,438,175)
Finance cost	380,647,787	128,334,730
Dividend income	(31,660,107)	(39,523,941)
	789,971,770	413,435,114
	991,188,443	835,811,610
Changes in working capital		
Stores and spares	(21,885,573)	(52,586,295)
Stock in trade	887,161,242	(12,909,137)
Trade receivables	117,904,468	(74,342,918)
Advances and other receivables	(310,775,306)	153,716,067
Trade and other payables	(78,981,437)	134,856,299
	593,423,394	148,734,016
Cash generated from operations	1,584,611,837	984,545,626
Payments for		
Employees retirement benefits	(17,742,411)	(16,253,535)
Finance cost	(404,280,061)	(87,432,054)
Income tax	(107,621,348)	(176,960,474)
Net cash generated from operating activities	1,054,968,017	703,899,563
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,876,362)	(1,569,302,386)
Proceeds from disposal of property, plant and equipment	4,040,600	2,628,500
Purchase of short term investments	(1,525,210,534)	(4,346,376,328)
Proceeds from disposal of short term investments	1,186,971,342	4,427,204,683
Dividend received	31,660,107	39,523,941
Net cash used in investing activities	(317,414,847)	(1,446,321,590)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	-	1,315,662,263
Repayment of long term finances	(329,579,346)	(286,137,783)
Net decrease in short term borrowings	(322,562,233)	(49,818,616)
Dividend paid	(65,220,706)	(108,741,170)
Net cash (used in) / generated from financing activities	(717,362,285)	870,964,694
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,190,885	128,542,667
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	145,321,727	51,265,550
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	165,512,612	179,808,217

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

Amin Ellahi Shaikh
Director

Muhammad Ahmad
Chief Financial Officer

Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore : April 29, 2024



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Share Capital	Capital reserves			Revenue reserve	Total equity
	Issued share capital	Reserve for financial assets measured at FVTOCI	Reserve on merger	Total	Retained Earnings	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2022 - Audited	109,500,000	(73,111,273)	7,760,000	(65,351,273)	3,694,781,220	3,738,929,947
Comprehensive income						
Profit after taxation	-	-	-	-	334,921,560	334,921,560
Other comprehensive loss	-	(26,317,243)	-	(26,317,243)	-	(26,317,243)
Total comprehensive (loss) / Income	-	(26,317,243)	-	(26,317,243)	334,921,560	308,604,317
Other transactions						
Transfer from reserve for financial assets at FVTOCI on derecognition	-	(883,845)	-	(883,845)	883,845	-
Transactions with owners						
Final Dividend @ 100% i.e Rs. 10 per ordinary share	-	-	-	-	(109,500,000)	(109,500,000)
Balance as at March 31, 2023 - Un-audited	109,500,000	(100,312,361)	7,760,000	(92,552,361)	3,921,086,625	3,938,034,264
Comprehensive income/(loss)						
Profit after taxation	-	-	-	-	84,813,530	84,813,530
Other comprehensive Income/(loss)	-	2,286,261	-	2,286,261	(4,546,549)	(2,260,288)
Total comprehensive income	-	2,286,261	-	2,286,261	80,266,981	82,553,242
Other transactions						
Transfer from reserve for financial assets at FVTOCI on derecognition	-	16,093,484	-	16,093,484	(16,093,484)	-
Related Taxation	-	(3,029,110)	-	(3,029,110)	3,029,110	-
	-	13,064,374	-	13,064,374	(13,064,374)	-
Balance as at June 30, 2023 - Audited	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	-	-	-	-	54,155,346	54,155,346
Other comprehensive Income	-	98,447,184	-	98,447,184	-	98,447,184
Total comprehensive income	-	98,447,184	-	98,447,184	54,155,346	152,602,530
Other transactions						
Transfer from reserve for financial assets at FVTOCI on derecognition	-	(10,720,343)	-	(10,720,343)	10,720,343	-
Transactions with owners						
Final Dividend @ 60% i.e Rs. 6 per ordinary share	-	-	-	-	(65,700,000)	(65,700,000)
Balance as at March 31, 2024 - Un-audited	109,500,000	2,765,115	7,760,000	10,525,115	3,987,464,921	4,107,490,036

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

Amin Ellahi Shaikh
Director

Muhammad Ahmad
Chief Financial Officer

Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore : April 29, 2024



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 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 and 14 Marlas.

2 BASIS OF PREPARATION

The interim financial statements are un-audited and has been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2023.

The comparative condensed interim statement of financial position as at June 30, 2023 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 nine month period ended March 31, 2023 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 March 31, 2024 and March 31, 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, 2023.



ELLCOT SPINNING MILLS LIMITED

	Un-audited March 31 2024 Rupees	Audited June 30 2023 Rupees
4 LONG TERM FINANCES		
From Banking companies		
As at beginning of the period/year	4,369,787,421	3,358,773,885
Obtain during the period / year	-	1,387,089,263
Accretion during the period/year	57,664,035	73,302,022
Repayment made during the period / year	(329,579,346)	(449,377,749)
As at end of the period/year	4,097,872,110	4,369,787,421
Current maturity presented under current liabilities	(497,100,002)	(386,581,189)
	3,600,772,108	3,983,206,232
5 DEFERRED GRANT		
As at beginning of the period/year	379,091,906	452,393,928
Amortized during the period/year	(57,664,035)	(73,302,022)
As at end of the period/year	321,427,871	379,091,906
Current maturity presented under current liabilities	(72,253,671)	(76,416,422)
	249,174,200	302,675,484
6 CONTINGENCIES AND COMMITMENTS		
6.1 Contingencies		
There is no significant change in status of contingencies as disclosed in note 18.1 to the annual financial statement for the year ended June 30, 2023.		
	Note	
6.2 Commitments		
Irrevocable letters of credit for		
purchase of stores and spares	47,082,870	59,187,077
purchase of raw material	1,203,345,641	754,317,731
	1,250,428,511	813,504,808
Short Term Lease		
- payable with in one year	1,054,674	669,636
	1,251,483,185	814,174,444
7 FIXED ASSETS		
Property, plant and equipment		
- Operating fixed assets	4,953,239,792	5,348,493,610
- Capital work in progress	11,432,847	5,331,285
	4,964,672,639	5,353,824,895
Intangible asset	-	-
	4,964,672,639	5,353,824,895



ELLCOT SPINNING MILLS LIMITED

		Un-audited March 31 2024	Audited June 30 2023
	Note	Rupees	Rupees
7.1 Operating fixed assets			
Net book value at the beginning of the period/year		5,348,493,610	4,016,655,871
Additions during the period / year			
Freehold Land		-	20,802,100
Plant and machinery		-	1,649,704,797
Buildings on freehold land		-	103,006,166
Electric installations and equipment		262,000	-
Office equipment		853,300	666,346
Furniture and fixtures		248,000	1,418,220
Vehicles		7,411,500	11,679,500
		8,774,800	1,787,277,129
Net book value of assets disposed during the period/year		(2,001,520)	(30,215,819)
Depreciation for the period/year		(402,027,098)	(425,223,571)
Net book value at end of the period/year		<u>4,953,239,792</u>	<u>5,348,493,610</u>
7.2 Capital work in progress			
As at the beginning of the period/year		5,331,285	57,847,805
Additions during the period/year		6,101,562	1,700,194,443
Transfers to operating fixed assets		-	(1,752,710,963)
As at end of the period/year		<u>11,432,847</u>	<u>5,331,285</u>
7.3 Intangible assets			
These represents cost of Oracle Financials Suite acquired by the Company, fully amortized @ 20% per annum using straight line method.			
8 OTHER FINANCIAL ASSETS			
Financial assets at fair value through other comprehensive income	8.1	166,470,370	153,108,716
Financial assets at fair value through profit or loss	8.2	422,050,752	3,178,054
Financial assets at amortized Cost		38,000,000	28,420,723
		<u>626,521,122</u>	<u>184,707,493</u>

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 OCI'. These investments are not held for trading. Instead, they are held for strategic purposes for an indefinite period. Accordingly, the Company has elected to designate these investments as at fair value through OCI as the management believes that recognising 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 realising their performance potential in the long run. The details are as follows:

	Un-audited March 31 2024	Audited June 30 2023
	Rupees	Rupees
Investments in listed equity securities		
Cost of investment	178,063,936	252,429,123
Changes in fair value	(11,593,566)	(99,320,407)
	166,470,370	153,108,716
	<u>166,470,370</u>	<u>153,108,716</u>



ELLCOT SPINNING MILLS LIMITED

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

	March 31, 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 period	98,447,184	-	98,447,184
Fair value gain transferred to retained earning on disposal	(10,720,343)	-	(10,720,343)
As at end of the Period	(11,593,566)	-	(11,593,566)

	June 30, 2023		
	Listed equity securities Rupees	Mutual funds Rupees	Total Rupees
As at beginning of the year	(91,084,210)	(49,165)	(91,133,375)
Fair value (loss)/gain arising during the year	(24,329,681)	933,010	(23,396,671)
Fair value loss / (gain) transferred to retained earnings on disposal	16,093,484	(883,845)	15,209,639
As at end of the year	(99,320,407)	-	(99,320,407)

8.2 Financial assets at fair value through profit or loss

These represent investments in mutual funds. These, being held for trading, are required to be measured at fair value through profit or loss mandatorily. Accordingly, these have been classified as 'financial assets at fair value through profit or loss'. Particulars of investments are as follows:

	Un-audited March 31 2024	Audited June 30 2023
	Rupees	Rupees
Investments in mutual funds		
Cost of investment	416,481,128	3,164,973
Changes in fair value	5,569,624	13,081
	422,050,752	3,178,054

9 COST OF SALES

	Nine Months Ended (Un-audited)		Quarter Ended (Un-audited)	
	March 31 2024 Rupees	March 31 2023 Rupees	March 31 2024 Rupees	March 31 2023 Rupees
Raw material consumed	7,761,419,254	5,710,280,771	2,719,253,902	1,765,476,307
Power and fuel	1,471,999,930	918,156,270	557,133,148	327,423,264
Stores and spares consumed	360,934,118	203,043,691	124,678,529	70,191,438
Salaries, wages and benefits	390,900,987	359,360,456	115,620,890	125,147,614
Insurance	29,270,098	20,268,472	9,590,164	7,349,699
Repair and maintenance	19,418,331	10,815,452	5,200,565	2,660,585
Depreciation	393,301,716	299,014,126	131,134,861	100,106,885
Others	(2,405,194)	38,506,853	(32,910,574)	10,948,701
Manufacturing Cost	10,424,839,240	7,559,446,091	3,629,701,485	2,409,304,493
Work in process				
As at beginning of the period	118,238,905	79,611,941	110,424,742	97,343,644
As at end of the period	(130,206,692)	(98,728,625)	(130,206,692)	(98,728,625)
	(11,967,787)	(19,116,684)	(19,781,950)	(1,384,981)
Cost of goods manufactured	10,412,871,453	7,540,329,407	3,609,919,535	2,407,919,512
Finished goods				
As at beginning of the period	304,978,028	279,395,082	250,377,492	262,238,433
Purchased during the period	-	265,923,850	-	162,101,150
As at end of the period	(158,692,501)	(215,588,172)	(158,692,501)	(215,588,172)
	146,285,527	329,730,760	91,684,991	208,751,411
	10,559,156,980	7,870,060,167	3,701,604,526	2,616,670,923



ELLCOT SPINNING MILLS LIMITED

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.

The Company has a lease agreement with an associated company which is prices 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:

		Nine Months Ended (Un-audited)	
		March 31 2024	March 31 2023
		Rupees	Rupees
10.1 Transactions With Related Parties			
Nature of Relationship	Nature of Transaction		
Associated companies	Purchase	-	311,192,016
	Sale	5,842,467,297	3,629,803,566
	Rent Paid	1,021,194	943,578
Key Management Personnel	Short term employee benefits	27,912,501	25,025,003

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

			Un-audited March 31 2024	Audited June 30 2023
			Rupees	Rupees
Nature of asset	Hierarchy	Valuation techniques/Key inputs		
Investments				
Investments in equity securities	Level 1	Quoted prices in an active market	166,470,370	153,108,716
Investments in mutual funds	Level 1	Quoted prices in an active market	422,050,752	3,178,054

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

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

13 OTHERS

There are no other significant activities since June 30, 2023 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.



Amin Ellahi Shaikh
Director



Muhammad Ahmad
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore : April 29, 2024



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ELLCOT SPINNING MILLS LTD.

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