

**FIRST QUARTER REPORT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2025
(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. 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, 2025. The comparative figures for the corresponding quarter ended on September 30, 2024 are included for comparison, except in statement of financial position where comparative figures are for the year ended on June 30, 2025.

Company Performance

Despite a challenging business landscape, the Company remained profitable. Your Company has earned after tax profit of Rs. 25,136,555 compared to Rs. 84,285,721 during the same period of last year (SPLY). Earning per share (EPS) for the quarter is Rs. 2.30 compared to Rs. 7.70 for the SPLY.

Sales revenue for the quarter under review marginally decreased by 1.40% over the SPLY and stood at Rs. 3,928,580,580 compared to Rs. 3,984,204,839. This reduction in sales is mainly due to fall in average selling price of yarn. Cost of sales also increased to 94.01% of sales compared to 93.17% of sales during SPLY. Reduction in sales revenue and increase in cost of sales resulted in lower Gross Profit (GP) to 5.99% of sales compared to 6.83% of sales during SPLY.

Overall operating expenses also decreased to 2.39% of sales during the quarter under review compared to 2.43% of sales during SPLY. The company effectively maintained stable cash flows, ensuring the timely settlement of operating liabilities. Supported by improved cash flows, scheduled repayments of long-term loans, and a reduction in the policy rate, finance costs decreased to 1.94% of sales compared to 2.53% in SPLY.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2025-26, Kapas, (seed cotton) arrivals up to September 30, 2025, at the Gineries totalled 3.044 million bales compared to 2.040 million bales for SPLY showing increase in arrival of 49.24%.

Future Outlook

The textile industry is going through severe challenges. Market demand is weak and buyers are shying away from new orders. This slow demand is putting pressure on the yarn prices resulting in lower margins. Textile trading is suffering from the uncertainty caused by USA Tariffs. Surging energy cost is another challenge which the industry is facing. Government has imposed levies on natural gas and furnace oil. Your company is taking all possible measures, such as increase in solar capacity, to reduce overall energy cost.

Owing to the recent floods and concerns over potential commodity shortages, the SBP has prudently decided to maintain the policy rate. The stability in the exchange rate has also supported improved cost and revenue forecasting.

The outlook for the 2nd quarter of FY26 remains uncertain given the persistent market challenges as mentioned above. Nevertheless, the management is proactively implementing cost-efficiency measures, targeted marketing strategies, and product diversification initiatives to strengthen operational resilience. These steps are expected to support the Company in sustaining profitability through the remainder of the financial year.

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, reduction in the corporate tax rate, 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.



Amin Ellahi Shaikh
Director



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore : October 29, 2025

ڈائریکٹرز کا جائزہ

مجلس نظامہ 30 ستمبر 2025ء کو مختصر پہلی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منہدمدوری مالیاتی معلومات پیش کرتے ہوئے خوش محسوس کر رہی ہے۔ 30 ستمبر 2024ء کو ختم ہونے والی سہ ماہی کے تقابلی اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں، ماسوائے سینٹمنٹ آف فنانشل پوزیشن کے جہاں تقابلی اعداد و شمار 30 جون 2025ء کو مختصر سال کے لئے ہیں۔

کمپنی کی کارکردگی

چیلنجنگ کاروباری ماحول کے باوجود کمپنی منافع بخش رہی۔ آپ کی کمپنی نے گزشتہ سال کی اسی مدت کے دوران 84,285,721 روپے کے مقابلے میں 25,136,555 روپے کا بعد از ٹیکس منافع حاصل کیا ہے۔ اس سہ ماہی میں فی حصہ آمدنی (EPS) 2.30 روپے رہی، جبکہ گزشتہ سال کی اسی مدت میں یہ 7.70 روپے تھی۔

زیر جائزہ سہ ماہی میں فروخت کی آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں 1.40 فیصد کی معمولی کمی واقع ہوئی ہے اور یہ 3,984,204,839 روپے کے مقابلے میں گھٹ کر 3,928,580,580 روپے پر رہ گئی۔ فروخت میں یہ کمی بنیادی طور پر سوکے اوسط فروخت قیمت میں گراوٹ کی وجہ سے ہے۔ فروخت کی لاگت میں بھی اضافہ ہوا ہے، جو گزشتہ سال کی اسی مدت میں فروخت کا 93.17 فیصد کے مقابلے میں بڑھ کر فروخت کا 94.01 فیصد ہو گئی ہے۔ فروخت کی آمدنی میں کمی اور فروخت کی لاگت میں اضافے کے نتیجے میں مجموعی منافع (GP) کی شرح کم ہو کر فروخت کا 5.99 فیصد رہ گئی، جبکہ گزشتہ سال کی اسی مدت میں یہ 6.83 فیصد تھی۔

مجموعی آپریشننگ اخراجات بھی گزشتہ سال کی اسی مدت میں فروخت کے 2.43 فیصد کے مقابلے میں زیر جائزہ سہ ماہی میں گھٹ کر فروخت کا 2.39 فیصد رہ گئے۔ کمپنی نے مؤثر طریقے سے مستحکم کیش فلو برقرار رکھا، جس سے آپریٹنگ لیاہیلیٹی کی بروقت ادائیگی کو یقینی بنایا گیا۔ بہتر کیش فلو، طویل المدت قرضوں کی مقررہ ادائیگیوں، اور پالیسی ریٹ میں کمی کی بدولت، مالیاتی اخراجات گزشتہ سال کی اسی مدت میں فروخت کے 2.53 فیصد کے مقابلے میں گھٹ کر فروخت کا 1.94 فیصد رہ گئے۔

پاکستان کاٹن جز ایسوسی ایشن کے جاری کردہ اعداد و شمار کے مطابق، فصل سال 2025-26ء کے لیے، 30 ستمبر 2025ء تک جزیروں میں کپاس (سیڈ کاٹن) کی آمد 2,040 ملین کانٹوں کے مقابلے میں 3,044 ملین کانٹوں رہی، جس میں 49.24 فیصد کا اضافہ دکھائی دیتا ہے۔

مستقبل کا نقطہ نظر

ٹیکسٹائل انڈسٹری سخت چیلنجز سے گزر رہی ہے۔ مارکیٹ کی طلب کمزور ہے اور خریدار نئے آرڈرز دینے سے گھبرارے ہیں۔ اس سبب طلب نے سوکے قیوتوں پر دباؤ ڈالا ہے، جس کے نتیجے میں منافع کی شرحیں کم ہوئی ہیں۔ ٹیکسٹائل ٹریڈنگ USA کے ٹیرفز کے باعث پیدا ہونے والی غیر یقینی صورتحال سے متاثر ہو رہی ہے۔ برہمنی ہوئی توانائی کی لاگت ایک اور چیلنج ہے جس کا سامنا صنعت کو ہے۔ حکومت نے نیچرل گیس اور فرسٹ آئل پر لیویز عائد کر دیے ہیں۔ آپ کی کمپنی مجموعی توانائی کی لاگت کو کم کرنے کے لیے تمام ممکنہ اقدامات کر رہی ہے، جیسے کہ کشی صلاحیت میں اضافہ۔

حالیہ سیلاب اور ممکنہ اجناس کی قلت کے خدشات کے پیش نظر، اسٹیٹ بینک آف پاکستان نے داغمندی کا مظاہرہ کرتے ہوئے پالیسی ریٹ برقرار رکھنے کا فیصلہ کیا ہے۔ شرح مبادلہ میں استحکام نے بھی لاگت اور آمدنی کی پیشین گوئی کو بہتر بنانے میں مدد دی ہے۔

مالی سال 2026 کی دوسری سہ ماہی کا نقطہ نظر اوپر بیان کردہ مسلسل مارکیٹ چیلنجز کے پیش نظر غیر یقینی ہی رہنے کا امکان ہے۔ اس کے باوجود، انتظامیہ آپریشنل چلک کو مضبوط بنانے کے لیے لاگت میں کارکردگی کے اقدامات، مدف بنانے گئے مارکیٹنگ کے طریقوں، اور مصنوعات میں تنوع کے اقدامات کو فعال طور پر نافذ کر رہی ہے۔ ان اقدامات سے توقع کی جاتی ہے کہ یہ کمپنی کو مالی سال کے باقی ماندہ عرصے میں منافعت برقرار رکھنے میں معاونت فراہم کریں گے۔

امید کی جاتی ہے کہ حکومت کاروبار دوست پالیسیاں لے کر آئے گی، جیسے کہ غیر منقطع توانائی کی فراہمی لاگت مؤثر انداز میں، واجب الادا ٹیکسز کی واپسی، کارپوریٹ ٹیکس کی شرح میں کمی، افراط زر کی شرح کو کنٹرول کرنا اور مالیاتی اخراجات کو کم کرنا۔ حکومتی پالیسیوں کو ٹیکسٹائل سیکٹر میں ویلیو چین کے 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 بینکرز اور دیگر اسٹیک ہولڈرز کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ


امین الی شیخ

ڈائریکٹر


بارون شہزادہ الی شیخ

چیف ایگزیکٹو آفیسر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025

		Un-Audited September 30 2025	Audited June 30 2025
	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		103,386,518	47,845,448
Retained earnings		<u>4,135,923,270</u>	<u>4,110,786,715</u>
TOTAL EQUITY		4,348,809,788	4,268,132,163
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term borrowings	4	3,075,867,104	3,217,887,879
Employees retirement benefits		255,600,343	243,590,617
Deferred taxation		244,954,720	244,954,720
Deferred grant	5	155,085,952	169,440,980
		3,731,508,119	3,875,874,196
CURRENT LIABILITIES			
Trade and other payables		1,692,185,274	1,526,206,301
Short term borrowings		922,254,242	778,749,346
Accrued interest/profit on borrowings		65,380,276	71,249,618
Unclaimed dividend		8,521,122	8,521,122
Current taxation		5,767,177	255,061
Current maturity of non-current liabilities		687,240,812	687,240,812
		3,381,348,903	3,072,222,260
TOTAL LIABILITIES		7,112,857,022	6,948,096,456
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		11,461,666,810	11,216,228,619

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 2025	Audited June 30 2025
	Note	Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	7	4,776,456,421	4,794,126,462
Long term deposits		7,840,700	7,840,700
		4,784,297,121	4,801,967,162
CURRENT ASSETS			
Stores and spares		210,515,736	301,438,629
Stock in trade		3,500,777,265	2,889,492,253
Trade receivables		1,201,957,036	1,239,334,933
Deposits and prepayments		218,590,956	151,697,774
Advances and other receivables		1,037,934,614	1,027,552,176
Other financial assets	8	275,883,099	218,966,706
Tax refunds due from government		151,375,300	179,358,701
Cash and bank balances		80,335,683	406,420,285
		6,677,369,689	6,414,261,457
TOTAL ASSETS		11,461,666,810	11,216,228,619

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, 2025

	Note	Quarter Ended	
		September 30 2025	September 30 2024
		Rupees	Rupees
Revenue from contracts with customers - net		3,928,580,580	3,984,204,839
Cost of sales	9	(3,693,449,612)	(3,712,281,908)
Gross profit		235,130,968	271,922,931
Selling and distribution expenses		(22,815,842)	(24,266,089)
Administrative expenses		(65,477,376)	(62,055,726)
Other expenses		(5,551,802)	(10,477,860)
		(93,845,020)	(96,799,675)
		141,285,948	175,123,256
Other income		9,869,037	66,900,991
Operating profit		151,154,985	242,024,247
Finance cost		(76,245,896)	(100,649,079)
Profit before statutory levies and taxation		74,909,089	141,375,168
Provision for statutory levies		(23,477,546)	(14,465,196)
Profit before taxation		51,431,543	126,909,972
Provision for taxation		(26,294,988)	(42,624,251)
Profit after taxation		25,136,555	84,285,721
Earnings per share - basic and diluted		2.30	7.70

The annexed explanatory 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 : October 29, 2025



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

		Quarter Ended	
		September 30	September 30
		2025	2024
	Note	Rupees	Rupees
Items that will not be reclassified subsequently to profit or loss			
Financial assets at fair value through OCI	9.2	55,541,070	(3,373,830)
Profit after taxation		25,136,555	84,285,721
Total comprehensive income		80,677,625	80,911,891

The annexed explanatory 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 : October 29, 2025



ELLCOT SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Quarter Ended	
	September 30 2025	September 30 2024
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	74,909,089	126,909,972
Adjustments for non-cash and other items		
Depreciation	118,862,470	121,336,380
Provision for employees retirement benefits	18,515,868	18,150,312
Gain on disposal of property, plant and equipment	(3,581,325)	(1,600,486)
Gain on disposal of short term investments	(113,517)	(11,958,713)
Changes in fair value of financial assets classified as at FVTPL	(1,474,432)	(48,308,753)
Finance Cost	76,245,896	100,649,079
Dividend income	(2,954,000)	(2,583,000)
	<u>205,500,960</u>	<u>175,684,819</u>
	280,410,049	302,594,791
Changes in working capital		
Stores and spares	90,922,893	(34,506,152)
Stock in trade	(611,285,012)	181,085,015
Trade receivables	37,377,897	(51,942,445)
Advances and other receivables	(49,292,219)	63,739,725
Trade and other payables	165,978,973	62,095,162
	<u>(366,297,468)</u>	<u>220,471,305</u>
Cash (used in)/generated from operations	<u>(85,887,419)</u>	<u>523,066,096</u>
Payments for:		
Employees retirement benefits	(6,506,142)	(7,770,588)
Finance Cost	(82,115,238)	(103,235,230)
Income taxes	(44,260,418)	(60,440,209)
Long term deposits	-	(45,400)
Net cash (used in)/generated from operating activities	<u>(218,769,217)</u>	<u>351,574,669</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(104,144,103)	(6,803,983)
Proceeds from disposal of property, plant and equipment	6,533,000	10,500,000
Purchase of short term investments	(64,476,531)	(560,000,000)
Proceeds from disposal of short term investments	64,689,156	334,816,230
Dividend received	2,954,000	2,583,000
Net cash used in investing activities	<u>(94,444,478)</u>	<u>(218,904,753)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	15,434,400	-
Repayment of long term finances	(171,810,203)	(133,118,282)
Net increase in short term borrowings	143,504,896	17,357,823
Net cash used in from financing activities	<u>(12,870,907)</u>	<u>(115,760,459)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(326,084,602)</u>	<u>16,909,457</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>406,420,285</u>	<u>113,509,476</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>80,335,683</u></u>	<u><u>130,418,933</u></u>

The annexed explanatory 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 : October 29, 2025

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Share Capital	Capital reserves			Revenue reserve	Total equity
	Issued 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, 2024	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
Comprehensive income						
Loss after taxation	-	-	-	-	(7,668,096)	(7,668,096)
Other comprehensive income	-	32,381,831	-	32,381,831	5,924,619	38,306,450
Total comprehensive income/(loss)	-	32,381,831	-	32,381,831	(1,743,477)	30,638,354
Transactions with owners						
Final dividend @ 50% i.e. Rs. 5 per ordinary share	-	-	-	-	(54,750,000)	(54,750,000)
Balance as at June 30, 2025(Audited)	109,500,000	40,085,448	7,760,000	47,845,448	4,110,786,715	4,268,132,163
Comprehensive income						
Profit after taxation	-	-	-	-	25,136,555	25,136,555
Other comprehensive income	-	55,541,070	-	55,541,070	-	55,541,070
Total comprehensive income	-	55,541,070	-	55,541,070	25,136,555	80,677,625
Balance as at September 30, 2025 (Un-audited)	109,500,000	95,626,518	7,760,000	103,386,518	4,135,923,270	4,348,809,788

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

Lahore : October 29, 2025


Amin Ellahi Shaikh
Director


Muhammad Ahmad
Chief Financial Officer


Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN- AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2025****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, 2025.

The comparative condensed interim statement of financial position as at June 30, 2025 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, 2025 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, 2025 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, 2025.

	Note	Un-audited September 30 2025 Rupees	Audited June 30 2025 Rupees
4 LONG TERM FINANCES			
From Banking companies			
As at beginning of the period / year		3,842,342,160	3,983,506,215
Obtain during the period / year		15,434,400	401,627,878
Accretion during the period / year		16,379,152	70,447,973
Repayment made during the period / year		(171,810,203)	(613,239,906)
As at end of the period / year		3,702,345,509	3,842,342,160
Less: Current maturity presented under current liabilities		(626,478,405)	(624,454,281)
		<u>3,075,867,104</u>	<u>3,217,887,879</u>
5 DEFERRED GRANT			
As at beginning of the period / year		232,227,511	302,675,484
Amortized during the period / year		(16,379,152)	(70,447,973)
As at end of the period / year		215,848,359	232,227,511
Less: Current maturity presented under current liabilities		(60,762,407)	(62,786,531)
		<u>155,085,952</u>	<u>169,440,980</u>
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, 2025.			
6.2 Commitments			
Irrevocable letters of credit for			
- purchase of stores and spare		181,810,755	65,997,469
- purchase of raw material		1,055,587,279	863,872,105
		<u>1,237,398,034</u>	<u>929,869,574</u>
Short Term Lease			
- payments not later than one year		369,135	738,270
		<u>1,237,767,169</u>	<u>930,607,844</u>
7 FIXED ASSETS			
Property, plant and equipment			
- Operating fixed assets	7.1	4,597,169,967	4,703,815,872
- Capital work in progress	7.2	179,286,454	90,310,590
		<u>4,776,456,421</u>	<u>4,794,126,462</u>
7.1 Operating fixed assets			
Net book value at the beginning of the period/year		4,703,815,872	4,843,948,424
Additions during the period / year			
Buildings on freehold land		-	7,508,135
Plant and machinery		-	326,763,485
Office equipment		453,000	2,453,000
Furniture and fixtures		1,708,239	3,431,931
Vehicles		13,007,000	33,536,080
		<u>15,168,239</u>	<u>373,692,631</u>
Net book value of assets disposed during the period/year		(2,951,674)	(23,334,916)
Depreciation for the period/year		(118,862,470)	(490,490,267)
Net book value at end of the period/year		<u>4,597,169,967</u>	<u>4,703,815,872</u>
7.2 Capital work in progress			
As at the beginning of the period/year		90,310,590	-
Additions during the period / year		88,975,864	424,582,210
Transfers to operating fixed assets		-	(334,271,620)
As at end of the period/year		<u>179,286,454</u>	<u>90,310,590</u>

		Un-audited September 30 2025 Rupees	Audited June 30 2025 Rupees
8 OTHER FINANCIAL ASSETS	Note		
Financial assets at fair value through other comprehensive income	8.1	171,579,300	116,038,230
Financial assets at fair value through profit or loss		66,038,613	64,630,514
Financial assets at amortized cost		38,265,186	38,297,962
		275,883,099	218,966,706
8.1 Financial assets at fair value through other comprehensive income			
These represent investments in listed equity securities 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:			
Investments in listed equity securities			
Cost of investment		68,031,706	68,031,706
Changes in fair value		103,547,594	48,006,524
		171,579,300	116,038,230
		171,579,300	116,038,230
8.2 Changes in fair value of investments at fair value through OCI			
As at beginning of the period		48,006,524	13,266,404
Fair value gain arising during the period		55,541,070	34,740,120
As at end of the period		103,547,594	48,006,524
Deferred taxation as at the reporting date		(7,921,076)	(7,921,076)
		95,626,518	40,085,448
Reserve for financial assets measured at FVTOCI			
		95,626,518	40,085,448
		Quarter Ended (Un-audited)	
		September 30	September 30
		2025	2024
		Rupees	Rupees
9 COST OF SALES			
Raw material consumed		2,597,613,769	2,888,909,165
Power and fuel		573,858,471	614,207,910
Stores and spares consumed		64,922,282	51,903,718
Packing material consumed		39,768,560	36,917,880
Salaries, wages and benefits		172,276,848	153,551,228
Insurance		9,738,774	9,195,669
Repair and maintenance		12,162,492	4,595,317
Depreciation		114,339,173	118,156,037
Other		10,023,678	12,397,744
Manufacturing cost		3,594,704,047	3,889,834,668
Work-in-process:			
As at beginning of the period		111,827,982	129,375,280
As at end of the period		(130,529,126)	(123,741,458)
		(18,701,144)	5,633,822
Cost of goods manufactured		3,576,002,903	3,895,468,490
Finished goods:			
As at beginning of the period		612,971,504	284,315,672
Purchased during the period		181,584	1,059,380
As at end of the period		(495,706,379)	(468,561,634)
		117,446,709	(183,186,582)
		3,693,449,612	3,712,281,908

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 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:

Nature of Relationship	Nature of Transaction	Quarter Ended (Un-audited)	
		September 30 2025	September 30 2024
		Rupees	Rupees
Associated companies	Purchase	-	17,700
	Sales	1,803,889,089	2,106,029,933
	Rent expenses	369,135	351,558
Key Management Personnel	Remuneration and other benefits	10,266,666	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 2025	June 30 2025
Investments			Rupees	Rupees
Investments in equity securities	Level 1	Quoted prices in an active market	171,579,300	116,038,230
Investments in mutual funds	Level 1	Quoted prices in an active market	66,038,613	64,630,514

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, 2025.

13 OTHERS

There are no other significant activities since June 30, 2025 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 : October 29, 2025

If undelivered please return to:

ELLCOT SPINNING MILLS LTD.

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