

ARCTIC TEXTILE MILLS LIMITED
www.arctictextile.com

**ANNUAL
REPORT**

2024





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COMPANY INFORMATION

Board of Directors	Mr. Muhammad Ashraf Mr. Muhammad Iqbal Mr. Zeeshan Saeed Mr. Usman Mahmood Mrs. Saira Affan Mr. Muhammad Amman Adil Mr. Qaiser Nasir	Chairman Chief Executive Officer Director Director (Independent) Director (Independent) Director (Nominee BIPL) Director (Nominee BIPL)
Audit Committee	Mr. Usman Mahmood Mr. Muhammad Amman Adil Mr. Muhammad Ashraf	Chairman Member Member
HR and Remuneration Committee	Mrs. Saira Affan Mr. Qaiser Nasir Mr. Muhammad Iqbal	Chairperson Member Member
Nomination Committee	Mr. Muhammad Ashraf Mr. Usman Mahmood Mrs. Saira Affan	Chairman Member Member
Risk Management Committee	Mr. Muhammad Iqbal Mr. Muhammad Ashraf Mr. Usman Mahmood	Chairman Member Member
Company Secretary	Mr. Ali Mudassar	
Chief Financial Officer	Mr. Bisharat Ali	
Auditors	Riaz Ahmad and Company (Chartered Accountants) FS Tower, Out Side AI – Fateh Garden East Canal Road, Faisalabad.	
Banks	The Bank of Punjab Habib Metropolitan Bank Limited MCB Bank Limited	
Share Registrar	Corplink (Private) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore	
Registered/Head Office	133 - 134, Regency the Mall, Faisalabad. +92-41-2610028, 2610030 www.arctictextile.com, info@arctictextile.com	
Mills	35 - Kilometer, Sheikhpura Road, Faisalabad https://www.arctictextile.com/financial-statement.html	





VISION STATEMENT

- We aim at maintaining the confidence of our valued customers by fulfilling their needs, demands and stipulations.
- We will achieve consistent financial performance which creates value for the shareholders.
- Our organization encourages employee participation that also helps us to achieve quality results.
- We believe in innovative technology applications to achieve continuous improvement and ability to avail the required opportunities.
- We intend to involve all employees in the development and implementation of quality systems, which will be reviewed periodically to ensure their effectiveness.
- We aim to improve the profitability of our company through improved efficiency and cost controls.
- We will take effective measures so as to protect the environment and contribute towards the economic strength of the country and function as a good corporate citizen.

MISSION STATEMENT

We aim to strive for market leadership, to maintain full confidence of our customers, ensure continuous improvement in profitability and at maintenance of industry standards by striving for quality products and introduction of innovative quality applications.

CHAIRMAN'S REVIEW

The Board is comprised of experienced and accomplished leaders, each contributing valuable expertise from diverse corporate sectors. The Board plays a pivotal role in shaping key policies and strategies that drive efficient and effective management of the Company. It remains firmly committed to fostering innovation and modernization within the organization. Our governance framework is fully aligned with all applicable laws and regulations, with clear definitions of obligations, rights, responsibilities, and duties.

The Board is fully aligned with the Company's vision, mission, and values, and actively upholds them. We regularly review and refine our mission and vision statements to ensure their relevance. Additionally, we maintain a deep understanding of our stakeholders, customers, employees, vendors, and society at large, all of whom we serve. The Board also provides strategic direction for the Company's growth over the next three to five years, setting annual goals and performance targets for management across all key areas.

The Board has diligently fulfilled its responsibilities, conducting thorough reviews, discussions, and approvals of business strategies, corporate objectives, budgets, financial statements, and other key reports. Oversight is continuously reinforced through presentations from management and auditors. The Board remains vigilant in monitoring critical areas, including product quality standards, promoting sustainable growth, fostering diversity, upholding ethical practices, and developing skilled talent to drive progress and excellence.

In conclusion, we sincerely thank you for your continued support and trust in the Board as we guide the Company toward new heights of corporate excellence in the years ahead.

A handwritten signature in black ink, appearing to read 'M. Asif'.

Chairman

Faisalabad:
September 26, 2024



DIRECTOR'S REPORT TO THE MEMBERS

The Directors of the Company takes pleasure in presenting before you 39th directors' report of the Company, comprising of the audited financial statements for the year ended June 30, 2024 along with Auditors' Report thereon and other required information under Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies Act 2017.

FINANCIAL RESULTS

	2024 (RUPEES IN THOUSAND)	2023
REVENUE	1,809,851	1,577,693
COST OF SALES	(1,580,962)	(1,395,597)
GROSS PROFIT	228,889	182,096
DISTRIBUTION COST	(4,160)	(6,047)
ADMINISTRATIVE EXPENSES	(39,793)	(35,742)
OTHER EXPENSES	(13,915)	(18,931)
OTHER INCOME	13,169	24,141
FINANCE COST	(1,063)	(1,192)
PROFIT BEFORE TAXATION AND LEVY	183,127	144,325
LEVY	(392)	(621)
PROFIT BEFORE TAXATION	182,735	143,704
TAXATION	(68,022)	(41,329)
PROFIT AFTER TAXATION	114,713	102,375
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	8.71	7.77

FINANCIAL HIGHLIGHTS

The Company achieved a commendable performance during the financial year ended June 30, 2024, with a profit after taxation of Rupees 114.713 million, reflecting a notable increase from the previous year's profit of Rupees 102.375 million. This represents a growth of approximately 12%, indicating a positive trend in profitability. The Company anticipates that this upward momentum will continue, aiding in the reduction of accumulated losses and improving the current ratio. These favorable developments will strengthen the Company's growth capacity and enable further expansion of its production facilities.

The spinning sector remains the backbone of Pakistan's textile industry, which is crucial to the nation's economic development. However, the textile industry faced significant challenges during the financial year. Factors such as high energy costs, increasing production expenses, political instability, inconsistent economic policies, and high mark-up rates contributed to the industry's overall decline in performance. These issues hampered the sector's ability to compete in international markets and meet export targets. Despite ongoing modernization efforts, the industry struggled to regain its previous growth momentum. To recover and remain competitive, the textile sector requires well-crafted strategic initiatives and stronger support.

ENVIRONMENT, HEALTH AND SAFETY

The Company ensures safe working conditions, minimizing risks to the health of both employees and the public. To protect our workforce, the Company adheres to established safety protocols and social guidelines. Regular awareness sessions and drills are conducted to keep employees informed and prepared, ensuring compliance with the latest safety standards.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company reinforced its commitment to corporate social responsibility by promoting environmental sustainability through tree plantation initiatives and energy-efficient practices. We prioritized employee health with vaccination programs and strict adherence to safety protocols. Our community engagement efforts included support for education and disaster relief initiatives, while we continued to uphold ethical business practices, fostering a diverse and inclusive workplace.

SUBSEQUENT EVENTS

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

Your company strives to follow best practices such as paper less environment and conserving energy.

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Risk management is carried out by the Company's risk manager under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

FUTURE OUTLOOK

The directors of the Company have a profound understanding of its operations and are actively working to improve overall performance. Their focus is on implementing stringent cost control measures and minimizing internal expenses to enhance profitability. Throughout the year, the Company has executed well-planned strategies aimed at generating profits and reducing accumulated losses. Given the current economic conditions, we foresee potential challenges that may impact revenue in the textile sector in the near future.

DIVIDEND

Since the Company has accumulated losses, therefore, the directors have not recommended any dividend for the year.

EARNINGS PER SHARE

The basic and diluted earnings per share for the year ended June 30, 2024 was Rupees 8.71 (2023: Rupees 7.77)

KEY OPERATING AND FINANCIAL DATA

Key operating and financial data for last six years in summarized form is annexed.

EXTERNAL AUDITORS

The auditors Messrs Riaz Ahmad & Company, Chartered Accountants, retires and being eligible, has offered themselves for their re-appointment. The Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the Company for the next financial year ending 30 June 2025.

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2024 is annexed.

Compliance with the Code of Corporate Governance

The "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" is annexed.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The directors are pleased to report that:

- a) The financial statements, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There is no significant doubt on the Company's ability to continue as a going concern.
- g) All transactions with related parties have been executed at arm's length and have been disclosed in the financial statements under relevant notes.
- h) The Company has a policy in place that ensures transparent procedures for fixing the remuneration of Directors and no single Director is involved in determining his own remuneration. For Information on remuneration of Directors and CEO, please refer note 28 to the financial statements.

COMPOSITION OF THE BOARD

The Board of Directors as at June 30, 2024 consist of:

Total number of directors as per gender diversity:

- a. Male: **06**
- b. Female: **01**

Composition:

- a) Independent Director: **02** as named hereunder:
 - i. Mr. Usman Mahmood
 - ii. Mrs. Saira Affan
- b) Other Non-executive Directors: **03** as named hereunder:
 - i. Mr. Muhammad Ashraf
 - ii. Mr. Muhammad Amman Adil
 - iii. Mr. Qaiser Nasir
- c) Executive Directors: **02** as named hereunder:
 - i. Mr. Muhammad Iqbal, Chief Executive Officer
 - ii. Mr. Zeeshan Saeed, Director

BOARD OF DIRECTORS MEETINGS

During the year under review five meetings were held and number of meetings attended by each director is as follows:

Name of Directors	Number of meetings attended
Mr. Muhammad Ashraf	5
Mr. Muhammad Iqbal	5
Mr. Zeeshan Saeed	5
Mr. Usman Mahmood	5
Mrs. Saira Affan	5
Mr. Muhammad Amman Adil	5
Mr. Qaiser Nasir	5

AUDIT COMMITTEE MEETINGS

Four meetings of the Audit Committee were held during the year, with the following attendance:

Name of Directors	Number of meetings attended
Mr. Usman Mahmood	4
Mr. Muhammad Amman Adil	4
Mr. Muhammad Ashraf	4

HUMAN RESOURCE & REMUNERATION COMMITTEE

One meeting of the HR & Remuneration Committee was held during the year, with the following attendance:

Name of Directors	Number of meetings attended
Mrs. Saira Affan	1
Mr. Qaiser Nasir	1
Mr. Muhammad Iqbal	1

RISK MANAGEMENT COMMITTEE

One meeting of the Risk Management Committee was held during the year, with the following attendance:

Name of Directors	Number of meetings attended
Mr. Muhammad Iqbal	1
Mr. Muhammad Ashraf	1
Mr. Usman Mahmood	1

NOMINATION COMMITTEE

One meeting of the Nomination Committee was held during the year, with the following attendance:

Name of Directors	Number of meetings attended
Mr. Muhammad Ashraf	1
Mr. Usman Mahmood	1
Mrs. Saira Affan	1

DIRECTOR'S REMUNERATION

The Board of Directors has devised the policy for the determination of remuneration. Following are its salient features.

- a) The Company will not pay any remuneration to its Non-Executive Directors except as meeting fee for attending the Board and its committee meetings;
- b) The remuneration of directors and meeting fee shall be determined and approved by the Board of Directors. Remuneration package is designed to attract suitable candidate and talent on the Board;
- c) No single Director is involved in determining his own remuneration

ADEQUACY OF INTERNAL AND FINANCIAL CONTROLS

The Board of Directors has established an effective system of Internal and Financial Controls that ensure:

- a) Effective and efficient conduct of operations;
- b) Safeguarding company assets;
- c) Compliance with applicable Laws and Regulation; and
- d) Reliable Financial Reporting

Internal audit function of the Company regularly appraises and monitors the implementation of Standard Operating Procedures and respective financial controls.

Internal audit reports are presented to the Audit Committee, as per internal audit plan. Accordingly, the Audit Committee reviews the effectiveness of the internal control framework and financial statement in its meetings.

ANNUAL BOARD PERFORMANCE EVALUATION

The Board views performance assessment as a crucial element of good governance, offering valuable feedback from Directors regarding the Board's effectiveness in fulfilling its roles and responsibilities. To facilitate this, the Board developed in-house questionnaires based on emerging best practices to evaluate the performance of the Board as a whole, its committees, and individual members. The Company Secretary presents a summarized report for the Board's annual discussion and review.

ACKNOWLEDGMENT

We would like to take this opportunity to express our heartfelt appreciation to the dedicated employees of the Company, whose hard work and unwavering commitment have been vital to our success. We also extend our sincere gratitude to our esteemed shareholders and lenders for their invaluable support and cooperation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Faisalabad:
September 26, 2024


Director
Chief Executive Officer

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

کپنی کے ڈائریکٹرز مالی سال 30 جون 2024 کی 39 ویں رپورٹ آپ کی خدمت میں پیش کر رہے ہیں۔ جس میں 30 جون 2024 کو ختم ہونے والے سال کے آڈٹ شدہ مالی بیانات کے ساتھ آڈیٹرز رپورٹ اور رابطہ کیجینز معلومات (کوڈ آف کارپوریٹ گورننس) ضابطہ 2019 اور کیجینز ایکٹ 2017 کے مطابق لف ہیں۔

مالی کارگردگی:

2023	2024	
روپے ہزاروں میں	روپے ہزاروں میں	
1,577,693	1,809,851	آمدن
(1,395,597)	(1,580,962)	لاگت آمدن
182,096	228,889	مجموعی نفع
(6,047)	(4,160)	فروخت و تقسیم کے اخراجات
(35,742)	(39,793)	انتظامی اخراجات
(18,931)	(13,915)	دیگر اخراجات
24,141	13,169	دیگر آمدن
(1,192)	(1,063)	مالی لاگت
144,325	183,127	قبل از ٹیکس نفع اور محصول (لیوی)
(621)	(392)	محصول (لیوی)
143,704	182,735	قبل از ٹیکس نفع
(41,329)	(68,022)	ٹیکس
102,375	114,713	بعد از ٹیکس نفع
7.77	8.71	فی حصص نفع (روپوں میں)

مالیتی نتائج:

کپنی نے 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران 114,713 ملین روپے کا بعد از ٹیکس منافع کے ساتھ قابل ستائش کارکردگی کا مظاہرہ کیا جو کہ گزشتہ سال کے 102,375 ملین روپے کے منافع سے نمایاں اضافے کی عکاسی کرتا ہے۔ جو 12% کی شرح سے گرتھ کو دکھا رہا ہے اور منافع میں مثبت رجحان کی نشاندہی کرتا ہے۔ کپنی کو توقع ہے کہ منافع کا پیرہن جاری رہے گا اور اس کے نتائج جمع شدہ نقصانات کو بھی کم کر دیں گے۔ یہ مثبت پیش رفت کپنی کی ترقی کی صلاحیت کو مضبوط بنانے اور اس کی پیداواری سہولیات میں بہتری اور اضافہ کرنے میں مدد دے گی۔

اسٹیک انڈسٹری پاکستان کی ٹیکسٹائل انڈسٹری میں درجہ کی بڑی حیثیت رکھتی ہے۔ جو ملک کی معاشی ترقی کے لیے انتہائی اہمیت کی حامل ہے۔ مالی سال کے دوران پاکستان میں ٹیکسٹائل کی صنعت کو مشکل دور کا سامنا کرنا پڑا ہے۔ جس میں توانائی کی اونچی قیمتیں، بڑھتی ہوئی پیداواری لاگت، سیاسی بے چینی، ناہموار معاشی پالیسیاں اور بلند شرح سود شامل ہے۔ اس شے کو جدید بنانے اور اس کی بحالی کی کوششوں کے باوجود، ٹیکسٹائل کی صنعت کو اپنی سابقہ ترقی کے راستے کو برقرار رکھنے میں مشکلات کا سامنا رہا۔ ترقی کے راستے پر واپس آنے اور مستقبل میں دوبارہ مضبوط بننے کے لیے انڈسٹری کو کچھ سمارٹ منصوبوں کی ضرورت ہے۔ جس کے لیے آپریٹنگ اسٹریٹجک اقدامات کی ضرورت ہے۔

صحت، سلامتی اور ماحول:

کپنی ملازمین اور عوام کی صحت کو لاحق خطرے سے بچانے کے لیے اقدامات کرنے پر یقین رکھتی ہے۔ اپنے ملازمین کو محفوظ رکھنے کے لیے کپنی سماجی فاصلاتی پروٹوکول کی پختی سے پیروی کرتی ہے۔ واضح ہدایات جاری کی جاتی ہیں۔ آگاہی سیشن ہوتے ہیں تاکہ کپنی کے کاروباری معاملات احسن طریقے سے چلتے رہیں۔

کاروباری سماجی ذمہ داری (سی ایس آر):

کپنی اپنی کارپوریٹ سماجی ذمہ داری (سی ایس آر) کپنی نے شہر کاری کے اقدامات اور توانائی کی بچت کے طریقوں کے ذریعے ماحولیاتی استحکام کو فروغ دے کر اپنی سماجی ذمہ داری کو پرمعزز طریقے سے سر انجام دیا ہے۔ حفاظتی ٹیبلٹ لگانے اور حفاظتی پروٹوکول کی پختی سے قیام کے ساتھ ملازمین کی صحت کو ترجیح دی اور اس کو بھی یقینی بنایا تاکہ وہ اپنے کام احسن طریقے سے جاری رکھ سکیں۔

اہم تبدیلیاں:

مالی سال کے اختتام کے دوران کپنی کی مالی حیثیت کو متاثر کرنے والی کوئی اہم تبدیلی اور وعدہ نہیں کیا گیا۔

ماحولیات پر کمپنی کے کاروبار کا اثر:

آپ کی کمپنی کا نقد کے کم سے کم استعمال اور توانائی کے تحفظ جیسے بہترین طریقوں پر عمل کرنے کی پوری کوشش کرتی ہے۔

مالی ریسک مینجمنٹ:

کمپنی کی سرگرمیاں اس کو متعدد مالی خطرات بشمول (مارکیٹ کا خطرہ، کرنسی کا خطرہ، قیمت کا خطرہ، اور سود کی شرح نمو) سے دوچار کرتی ہیں۔ ادھار کا خطرہ، اور ٹیکو پیرینی کا خطرہ اور کمپنی کا مجموعی ریسک مینجمنٹ پروگرام مالی منڈیوں کی غیر متوقع صلاحیت پر مرکوز ہے۔ اور مالی کاروبار پر پائے جانے والے ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتا ہے۔ کمپنی کا ٹیکہ خزانہ بورڈ آف ڈائریکٹرز کے ذریعہ منظور شدہ پالیسیوں کے تحت کام کرتا ہے۔ کمپنی کا ٹیکہ خزانہ مالی خطرات کا جائزہ لیتا ہے۔ اور ان کی تخفیف کرتا ہے۔ بورڈ مجموعی طور پر ریسک مینجمنٹ کے اصولوں کے ساتھ، کرنسی ریسک، دیگر قیمتوں کا خطرہ، سود کی شرح کا خطرہ، ادھار کا خطرہ اور ٹیکو پیرینی کا خطرہ، جیسے مخصوص معاملات کو سنبھالنے والی پالیسیاں مہیا کرتا ہے۔

مستقبل کے امکانات:

کمپنی کے ڈائریکٹرز کمپنی کے امور سے پوری طرح واقف ہیں۔ اور کمپنی کو زیادہ سے زیادہ منافع کمانے کے لئے کمپنی کی مجموعی کارکردگی، لاگت کنٹرول اور داخلی اخراجات کم سے کم سطح تک بہتر بنانے کے لیے اپنی بھرپور کوششیں کر رہے ہیں۔ سال کے دوران کمپنی نے منافع کمانے اور اس کے جمع شدہ تنصانات کو کم سے کم کرنے کے لئے موثر انداز میں منصوبہ بندی کی ہے۔ اور اچھی کارکردگی کا مظاہرہ کیا ہے۔ ملکی موجودہ حالات کے پیش نظر ہم توقع کر رہے ہیں کہ آنے والا دور مشکل ہوگا۔ اور ٹیکسٹائل کے کاروبار کی آمدنی کو متاثر کرے گا۔

منافع ادا کیا:

کمپنی کے جمع شدہ خسارے کی وجہ سے ڈائریکٹرز نے منافع نہ دینے کی سفارش کی ہے۔

فی حصص منافع:

مالی سال 30 جون 2024 میں فی حصص منافع 8.71 روپے تھا۔ (2023 : 7.77 روپے)

کلیدی آپریٹنگ اور مالی اعداد و شمار:

کلیدی آپریٹنگ اور مالی اعداد و شمار کا پچھلے چھ سالوں کا خلاصہ ملحق ہے۔

آؤٹریز:

موجودہ آؤٹریز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے بعد از ریٹائرمنٹ اور اہلیت کی بنا پر خود کو دوبارہ تقرری کیلئے پیش کیا ہے بورڈ آف ڈائریکٹرز کی آؤٹ کمیٹی نے ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو دوبارہ اگلے مالی سال 30 جون 2025 کیلئے تقرری کی سفارش کی ہے

شیئر ہولڈرز کی ترتیب

30 جون 2024 کی شیئر ہولڈرز کی ترتیب ملحق ہے۔

کوڈ آف کارپوریٹ گورننس

کوڈ آف کارپوریٹ گورننس کا بیانہ کوڈ آف کارپوریٹ گورننس قواعد و ضوابط 2019 کے تحت لکھا ہے

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کا بیانہ:

1- کمپنی کی انٹرمیڈیٹ کی طرف سے تیار کئے جانے والی مالیاتی سٹیٹمنٹس منصفیانہ طور پر کمپنی کے امور، اپریٹنگ کے نتائج، کمیشن فلوڈ اور دیگر مالیاتی بیانہ بیان کرتے ہیں۔

2- کمپنی کے اکاؤنٹس کی کسی کی معقول دیکھ بھال کی گئی ہے۔

3- مناسب اکاؤنٹنگ پالیسیوں کو مالی بیانات کی تیاری میں لاگو کیا گیا ہے۔ اور اکاؤنٹنگ تحجیب معقول، دانشمندانہ فیصلوں پر مبنی ہیں۔

4- بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جو پاکستان میں بھی لاگو ہیں ان کی تمام تفصیلات سٹیٹمنٹس میں مکمل طور پر دی گئی ہیں۔

5- اندرونی کنٹرول کے نظام کا پیمانہ بالکل ٹھیک ہے اور اسے اچھے طریقے سے لاگو اور مانیٹر کیا گیا ہے۔

6- کمپنی کے جاری رہنے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

7- متعلقہ فریقوں کے ساتھ تمام لین دین کو ایمانداری سے انجام دیا گیا ہے اور متعلقہ نوٹ کے ساتھ انکشاف کیا گیا ہے۔

8- کمپنی کے پاس ایک پالیسی ہے۔ جس میں ڈائریکٹرز کے معاوضے کو درست کرنے کے شفاف طریقے کار کو یقینی بنایا گیا ہے۔ اور کوئی بھی ڈائریکٹر اپنے معاوضے کے تعین میں ملوث نہیں ہے۔ ڈائریکٹرز

اور سی.ای.او. (C.E.O) کے معاوضے سے متعلق معلومات کے لئے براہ کرم مالی بیانات پر نوٹ 28 دیکھیں۔

بورڈ کی ترتیب:

30 جون 2024 تک ان افراد کے نام جو کے مالی سال کے دوران بورڈ آف ڈائریکٹرز تھے۔

صنعتی تنوع کے مطابق ڈائریکٹرز کی تعداد یہ ہے:

مرد: 06

خواتین: 01

آزاد ڈائریکٹرز وہ ہیں جن کے نام درج ذیل ہیں:

جناب عثمان محمود

مسز سائرہ عقیان

غیر ایگزیکٹو ڈائریکٹرز تین ہیں جن کے نام درج ذیل ہیں:

جناب محمد اشرف

جناب محمد امان عادل

جناب قیصر ناصر

ایگزیکٹو ڈائریکٹرز وہ ہیں جن کے نام درج ذیل ہیں:

جناب محمد اقبال چیف ایگزیکٹو آفیسر

جناب ذیشان سعید ڈائریکٹر

مالی سال کے دوران میں بورڈ آف ڈائریکٹرز نے درج ذیل پانچ ملاقاتیں کیں۔ حاضر یوں کا ریکارڈ درج ذیل ہے۔

ڈائریکٹرز کے نام حاضری

05

جناب محمد اشرف

05

جناب محمد اقبال

05

جناب ذیشان سعید

05

جناب عثمان محمود

05

مسز سائرہ عقیان

05

جناب محمد امان عادل

05

جناب قیصر ناصر

آؤٹ کیمپنی نے زیر جائزہ مالی سال کے دوران ملاقاتیں کی۔ جن کی تفصیلات درج ذیل ہیں

ڈائریکٹرز کے نام حاضری

04

جناب عثمان محمود

04

جناب محمد امان عادل

04

جناب محمد اشرف

انسانی وسائل اور معاوضہ کی کمیٹی: انسانی وسائل اور معاوضہ کمیٹی نے زیر جائزہ مالی سال کے دوران ایک ملاقات کی۔ جس کی تفصیلات درج ذیل ہیں۔

ڈائریکٹرز کے نام حاضری

01

مسز سائرہ عقیان

01

جناب قیصر ناصر

01

جناب محمد اقبال

نمائندگی کی کمیٹی: نمائندگی کی کمیٹی نے زیر جائزہ مالی سال کے دوران ایک ملاقات کی۔ جس کی تفصیلات درج ذیل ہے۔

ڈائریکٹرز کے نام	حاضری
جناب محمد اشرف	01
جناب عثمان محمود	01
مسز سائرہ عطار	01

رہنما کمیٹی: رہنما کمیٹی نے زیر جائزہ مالی سال کے دوران ایک ملاقات کی۔ جس کی تفصیلات درج ذیل ہے۔

ڈائریکٹرز کے نام	حاضری
جناب محمد اقبال	01
جناب محمد اشرف	01
جناب عثمان محمود	01

ڈائریکٹرز کا معاوضہ:

بورڈ آف ڈائریکٹرز نے معاوضے کے عزم کے لئے پالیسی مرتب کی ہے۔ اس کی نمایاں خصوصیات مندرجہ ذیل ہیں۔

- 1- کمپنی اپنے غیر ایگزیکٹو ڈائریکٹرز کو کسی معاوضے کی ادائیگی نہیں کرے گی۔ ماسوائے ان کے بورڈ اور اس کے کمیٹی کے اجلاسوں میں شرکت کے۔
- 2- ڈائریکٹرز کا معاوضہ اور مینٹل فیس بورڈ آف ڈائریکٹرز کے ذریعے طے اور منظوری دی جائے گی۔ مثلاً ہر چھ بورڈ میں مناسب اور باصلاحیت امیدواروں کو متوجہ کرنے کے لئے تشکیل کیا گیا ہے۔
- 3- کوئی بھی ڈائریکٹر اپنے معاوضے کے تعین میں ملوث نہیں ہے۔

اقدامات کا توازن:

داخلی اور مالی اقدامات کا توازن بورڈ آف ڈائریکٹرز نے اندرونی اور مالیاتی اقدامات کا ایک موثر نظام قائم کیا ہے۔ جس سے یہ یقینی بنایا جاتا ہے۔

1- کمپنی کے اثاثوں کی حفاظت کرنا۔

2- قابل اطلاق قوانین اور ضابطے کی تعمیل۔

3- قابل اعتماد مالیاتی بیانیہ

کمپنی کا انٹرنل آڈٹ فنکشن باقاعدہ طور پر معیاری آپریٹنگ طریقہ کار اور اس سے متعلق مالی کنٹرول کے نظام کی نگرانی کرتا ہے۔

داخلی آڈٹ کی رپورٹ داخلی آڈٹ پلان کے مطابق آڈٹ کمیٹی کو پیش کی جاتی ہے۔ اس کے مطابق آڈٹ کمیٹی اپنے اجلاسوں میں اندرونی کنٹرول فریم ورک اور مالی پیمانہ کا جائزہ لیتی ہے۔

سالانہ بورڈ کی کارکردگی کا جائزہ :

بورڈ اپنی کارکردگی کی تشخیص کو گورننس کلیدی مددگار کے طور پر دیکھتا ہے۔ کیونکہ یہ ڈائریکٹرز سے ان کے تاثرات پر رائے دیتا ہے۔ کہ بورڈ اس وقت اپنے کردار اور ذمہ داریوں کس طرح ادا کر رہا ہے۔ اس کا جائزہ لیتے ہوئے بورڈ نے اپنی کمیٹیوں اور اس کے ممبروں کی مجموعی طور پر بورڈ کی کارکردگی میں مدد کے لئے ابھرتے اور معروف طریقوں پر مبنی سوالنامے کا ماحول وضع کیا ہے۔ کمپنی سرگزری سالانہ بورڈ پر بحث و مباحثے کے لئے خلاصہ رپورٹ پیش کرتا ہے۔

اعتراف:

ہم اس موقع سے فائدہ اٹھاتے ہوئے کمپنی کے تخلص ملازمین کا تہہ دل سے شکریہ ادا کرنا چاہتے ہیں، جن کی سخت محنت اور غیر حوصلہ عزم اور محنت نے اہم کردار ادا کیا ہے۔ نئی برآں ہم مالیاتی اداروں، شیئرز ہولڈرز اور اپنے ملازمین کی گمن اور محنت کی قدر کی حمایت کے لیے دل سے شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے:



جناب ذیشان سعید
ڈائریکٹر



محمد اقبال
چیف ایگزیکٹو آفیسر

فیصل آباد
26 ستمبر 2024

KEY OPERATING AND FINANCIAL DATA

	2024	2023	2022	2021	2020	2019
	----- (RUPEES IN THOUSAND) -----					
Summary of Statement of Profit or Loss						
Profit/(Loss) before taxation	183,127	144,325	115,212	77,476	20,897	(22,408)
Taxation and levy	(68,414)	(41,950)	(31,648)	(44,264)	(3,000)	7,953
Profit/(Loss) after taxation	114,713	102,375	83,564	33,212	17,897	(14,455)
Summary of Statement of Financial Position						
Total assets	726,514	564,702	578,564	516,401	653,866	368,017
Long term financing / loans	-	-	-	19,841	42,195	55,272
Deferred liabilities	73,193	51,793	35,039	23,772	18,546	-
Deferred income tax liability	58,434	56,397	70,280	57,477	48,858	56,008
Long term security deposits	30,000	30,000	30,000	30,000	30,000	-
Current liabilities	297,546	273,441	392,635	497,325	660,782	420,570
Net assets	267,341	153,071	50,610	(112,014)	(146,515)	(163,833)
Represented by:						
Share capital	131,748	131,748	131,748	131,748	131,748	131,748
Equity portion of shareholders' loan	13,335	13,335	13,335	13,335	13,335	13,335
Surplus on revaluation of plant, equipment and investment properties - net of deferred income tax	155,274	173,500	190,208	122,679	135,029	150,725
Accumulated loss - net off equity portion of shareholders' loan	(33,016)	(165,512)	(284,681)	(379,776)	(426,627)	(459,641)
	267,341	153,071	50,610	(112,014)	(146,515)	(163,833)


Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019
Name of Company: Arctic Textile Mills Limited

Year Ending: 30 June 2024

The Company has complied with the requirements of the Regulations in the following manner: -

1. The total number of directors are seven as per following:

- a. Male: Six
- b. Female: One

2. The composition of the Board of Directors ("the Board") is as follows:

Category	Name
Executive Directors	Mr. Muhammad Iqbal
	Mr. Zeeshan Saeed
Non-Executive Directors	Mr. Muhammad Ashraf
	Mr. Muhammad Amman Adil
	Mr. Qaiser Nasir
Independent Directors	Mr. Usman Mahmood
	Mrs. Saira Affan (female)

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. The Board is fully compliant with Rule 19 of the Regulations regarding Directors' training program for the directors and heads of department of the Company.
- 10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;



12. The Board has formed committees comprising of members given below:
- | | |
|----------------------------------|---------------|
| a) Audit Committee | |
| Mr. Usman Mahmood | (Chairman) |
| Mr. Muhammad Amman Adil | (Member) |
| Mr. Muhammad Ashraf | (Member) |
| b) HR and Remuneration Committee | |
| Mrs. Saira Affan | (Chairperson) |
| Mr. Qaiser Nasir | (Member) |
| Mr. Muhammad Iqbal | (Member) |
| c) Nomination Committee | |
| Mr. Muhammad Ashraf | (Chairman) |
| Mr. Usman Mahmood | (Member) |
| Mrs. Saira Affan | (Member) |
| d) Risk Management Committee | |
| Mr. Muhammad Iqbal | (Chairman) |
| Mr. Muhammad Ashraf | (Member) |
| Mr. Usman Mahmood | (Member) |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committee were as per following:
- | | |
|-----------------------------------|--|
| a) Audit Committee: | Four meetings during the financial year ended 30 June 2024 |
| b) HR and Remuneration Committee: | One meeting during the financial year ended 30 June 2024 |
| c) Nomination Committee: | One meeting during the financial year ended 30 June 2024 |
| d) Risk Management Committee: | One meeting during the financial year ended 30 June 2024 |
15. The Board has set up an effective internal audit function.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with; except for the independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5.

Muhammad Iqbal
Chief Executive Officer

Muhammad Ashraf
Chairman

Riaz Ahmad & Company

Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT**To the members of Arctic Textile Mills Limited****Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Arctic Textile Mills Limited (the Company) for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

Riaz Ahmad & Co.
RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 26 September 2024

UDIN: CR202410184S6Xm8Qz02

Riaz Ahmad & Company

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT**To the members of Arctic Textile Mills Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of Arctic Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the profit, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Riaz Ahmad & Company

Chartered Accountants

Following is the key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Revenue recognition</p> <p>The Company recognized net revenue of Rupees 1,809.851 million for the year ended 30 June 2024.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Revenue from contracts with customers (Note 2.17 to the financial statements). - Revenue from contracts with customers (Note 18 to the financial statements). 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Riaz Ahmad & Company

Chartered Accountants

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Riaz Ahmad & Company

Chartered Accountants

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of

Riaz Ahmad & Company

Chartered Accountants

cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Liaqat Ali Panwar.

Riaz Ahmad & Co.
RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad**Date: 26 September 2024****UDIN: AR202410184KFdCYx903**



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
REVENUE FROM CONTRACTS WITH CUSTOMERS	18	1,809,851	1,577,693
COST OF SALES	19	(1,580,962)	(1,395,597)
GROSS PROFIT		<u>228,889</u>	<u>182,096</u>
DISTRIBUTION COST	20	(4,160)	(6,047)
ADMINISTRATIVE EXPENSES	21	(39,793)	(35,742)
OTHER EXPENSES	22	(13,915)	(18,931)
OTHER INCOME	23	13,169	24,141
FINANCE COST	24	(1,063)	(1,192)
PROFIT BEFORE TAXATION AND LEVY		<u>183,127</u>	<u>144,325</u>
LEVY	9	(392)	(621)
PROFIT BEFORE TAXATION		<u>182,735</u>	<u>143,704</u>
TAXATION	25	(68,022)	(41,329)
PROFIT AFTER TAXATION		<u><u>114,713</u></u>	<u><u>102,375</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	26	<u><u>8.71</u></u>	<u><u>7.77</u></u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
PROFIT AFTER TAXATION		114,713	102,375
OTHER COMPREHENSIVE (LOSS) / INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement (loss) / gain arising on staff retirement gratuity	6.3	(642)	120
Related deferred income tax		199	(34)
		(443)	86
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive (loss) / income for the year - net of tax		(443)	86
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>114,270</u>	<u>102,461</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	CAPITAL RESERVES		TOTAL	ACCUMULATED LOSS	TOTAL EQUITY
	Share Capital	Surplus on revaluation of property, plant and equipment - net of deferred income tax			
----- (RUPEES IN THOUSAND) -----					
Balance as at 30 June 2022	131,748	13,335	190,208	203,543	50,610
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(15,565)	(15,565)	-
Transfer from surplus on disposal of property, plant and equipment - net of deferred income tax	-	-	(303)	(303)	-
Adjustment of deferred income tax liability due to remeasurement at year end	-	-	(840)	(840)	-
Profit for the year	-	-	-	-	102,375
Other comprehensive income for the year	-	-	-	-	86
Total comprehensive income for the year	-	-	-	-	102,461
Balance as at 30 June 2023	131,748	13,335	173,500	186,835	153,071
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(13,493)	(13,493)	-
Adjustment of deferred income tax liability due to remeasurement at year end	-	-	(4,733)	(4,733)	-
Profit for the year	-	-	-	-	114,713
Other comprehensive loss for the year	-	-	-	-	(443)
Total comprehensive income for the year	-	-	-	-	114,270
Balance as at 30 June 2024	131,748	13,335	155,274	168,609	267,341

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and levy		183,127	144,325
Adjustments for non-cash charges and other items:			
Depreciation	11.2	35,496	38,191
Provision for staff retirement gratuity	6.2	29,555	20,939
(Reversal of allowance) / allowance for expected credit losses	14.4	(5,683)	7,804
Gain on sale of property, plant and equipment	23	(716)	(474)
Amortization of deferred grant		-	(155)
Profit on saving account	23	(1,869)	(35)
Finance cost	24	1,063	1,192
		240,973	211,787
Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(21,945)	(13,505)
Stock in trade		-	61,712
Trade debts		27,950	(76,627)
Loans and advances		1,217	1,633
Short term deposits, prepayment and other receivables		(43,511)	1,453
		(36,289)	(25,334)
Increase / (decrease) in trade and other payables		31,741	(97,206)
		236,425	89,247
Cash generated from operations			
Finance cost paid		(505)	(667)
Staff retirement gratuity paid	6.1	(7,077)	(3,638)
Net decrease / (increase) in long term deposits and prepayment		1,209	(1,695)
Income tax and levy paid		(76,092)	(58,656)
		153,960	24,591
Net cash generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment	11	(142,484)	(4,240)
Proceeds from sale of property, plant and equipment		3,926	1,197
Profit on saving accounts received		1,869	74
		(136,689)	(2,969)
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(19,996)
		-	(19,996)
Net cash used in financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		17,271	1,626
		6,569	4,943
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	23,840	6,569

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Arctic Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on 27 February 1986 and listed on Pakistan Stock Exchange Limited on 30 October 1989. Its registered office is situated at 133-134, Regency the Mall, Faisalabad. The Company manufactures and deals in all types of yarn, its conversion and doubling and also deals in trading of fabric / made ups. The manufacturing facility of the Company is situated at 35 Kilometers, Main Sheikhpura Road, Mouza Johal, Tehsil Jaranwala, District Faisalabad.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. Further, accounting policies related to material class of accounts does not necessarily means it is material. These policies have been consistently applied to all years presented, except for the change in accounting policy of taxation and levy made in accordance with "Application Guidance on Accounting for Minimum Taxes" issued by The Institute of Chartered Accountants of Pakistan through circular 7/2024. The change has been explained in Note 2.4 to these financial statements.

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

The estimates for revalued amounts of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales. Inventory write-down is made based on the current market conditions and historical experience. It could change significantly as a result of changes in market conditions.

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Staff retirement gratuity

The actuarial valuation of staff retirement gratuity requires the use of certain assumptions related to future periods, including increase in future salary and the rate used to discount future cash flows to present value.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

Revenue from contracts with customers involving sale of goods and services

When recognizing revenue in relation to the sale of goods and services to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods and services to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement' - Disclosure of Accounting Policies;
- Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Change in definition of 'Accounting Estimate';
- Amendments to IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

Suppliers Finance Arrangements (Amendments to IAS 7 'Statements of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures'). The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for annual reporting period beginning on or after 01 January 2024.

Classification and Measurements of Financial Instruments (Amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments') effective for annual periods beginning on or after 01 January 2026. These amendments address matters identified during the post - implementation review of the classification and measurement requirements of IFRS 9.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

2.3 Staff retirement gratuity

The Company operates defined benefit plan - unfunded gratuity scheme for its permanent employees, who have completed the minimum qualifying period of service as defined under the scheme, calculated from the date of their joining with the Company. The Company's obligation under the scheme is determined through actuarial valuation carried under Projected Unit Credit Actuarial Cost Method. Actuarial valuation is conducted by an independent actuary. The obligation at the date of statement of financial position is measured at the present value of the estimated future cash outflows. All contributions are charged to statement of profit or loss for the year.

Actuarial gains and losses (remeasurement gains / losses) on staff retirement gratuity are recognized immediately in other comprehensive income.

2.4 Taxation and levy

Change in accounting policy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in statement of profit or loss. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	RUPEES IN THOUSAND
Statement of profit or loss:		
Taxation	Levy	621
Statement of financial position:		
Advance income tax	Prepaid levy	621
Provision for taxation	Levy payable	621

Had there been no change in the above referred accounting policy, amount of Rupees 0.392 million of levy, prepaid levy and levy payable would have been presented as taxation expense, advance income tax and provision for taxation respectively in these financial statements. Further, this change in accounting policy has no impact on earnings per share of the Company.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.5 Property, plant and equipment

a) Operating fixed assets

All operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except those subject to revaluation which are stated at revalued amount less accumulated depreciation and any identified impairment loss. Capital work-in-progress is stated at cost less any recognized impairment loss. It consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their construction and installation. These are transferred to operating fixed assets as and when these are available for use. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the construction / erection period of qualifying assets and other directly attributable costs of bringing the asset to working condition.

Increases in the carrying amounts arising on revaluation are recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of deferred income tax, is reclassified from surplus on revaluation of property, plant and equipment to accumulated loss.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the period in which these are incurred.

b) Depreciation

Depreciation on property, plant and equipment is charged to statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 11. The Company charges its depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

2.6 Inventories

Inventories, except for stock in transit, are stated at the lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of purchase and the estimated costs necessary to make a sale. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. In transit stores, spare parts and loose tools are valued at invoice value plus other charges paid thereon.

Stock in trade

Cost of finished goods and stock in transit is determined with invoice value plus other charges paid thereon.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.9 Financial Instruments

i) Classification and measurement of financial instruments

Financial assets

a) Classification

The Company classifies its financial assets at amortized cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses).

Financial liabilities

Classification and measurement

Financial liabilities are classified and measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the statement of profit or loss. Any gain or loss on de-recognition is also included in statement of profit or loss.

ii) Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganization.

iii) **De-recognition of financial assets and financial liabilities**

a) **Financial assets**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial asset that is created or retained by the Company is recognized as a separate asset or liability.

b) **Financial liabilities**

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

iv) **Offsetting of financial instruments**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.10 **Borrowings**

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.11 **Share capital**

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.12 **Trade and other receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.13 **Borrowing cost**

Interest, mark-up and other charges on long term financing are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long term financing. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.14 **Dividend and other appropriations**

Dividend and other appropriations are recognized in the financial statements in the period in which these are approved.

2.15 **Trade and other payables**

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and are subsequently measured at amortized cost using the effective interest method.

2.16 **Functional and presentation currency along with foreign currency transactions and translation**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss.

2.17 Revenue from contracts with customers**i) Revenue recognition****Sale of goods**

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Conversion and doubling services

The Company provides conversion and doubling services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the Company accomplishes its performance obligations under the contract.

2.18 Earnings per share

The Company presents Earnings Per Share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.19 Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization become certain.

2.20 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with settlement reliability.

2.21 Government grants

Grants from the Government are recognized at their fair value when there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that these are intended to compensate.



	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
3.1 This represents 13 174 800 (2023: 13 174 800) ordinary shares of Rupees 10 each fully paid up in cash. 4 546 500 ordinary shares (2023: 4 546 500) of the Company are held by Beacon Impex (Private) Limited - an associate.		
3.2 All ordinary shares rank equally with regard to the Company's residual assets. Moreover holders of these shares are entitled to one vote per share at general meetings of the Company.		
4. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX		
Balance as on 01 July	173,500	190,208
Less:		
Surplus transferred to accumulated loss on disposal of property, plant and equipment - net of deferred income tax	-	(303)
Adjustment of deferred income tax liability due to remeasurement at year end	(4,733)	(840)
Transferred to accumulated loss in respect of incremental depreciation charged during the year - net of deferred income tax	(13,493)	(15,565)
	(18,226)	(16,708)
Balance as on 30 June	155,274	173,500
4.1 Revaluation of property, plant and equipment of the Company was carried out on 31 December 2021 by an independent valuer, Messrs Zafar Iqbal and Company according to the prevailing market prices. Previously revaluations were carried out by independent valuers on 31 December 2018, 30 June 2016, 15 June 2011, 17 March 2005, 11 April 2003 and 30 September 1995.		
5. DEFERRED INCOME TAX LIABILITY		
Taxable temporary differences on		
Accelerated tax depreciation	81,787	76,625
Deductible temporary differences on		
Provision for staff retirement gratuity	22,690	14,763
Allowance for expected credit losses	663	2,229
Provision for Gas Infrastructure Development Cess (GIDC)	-	3,236
	23,353	20,228
Deferred income tax liability	58,434	56,397
5.1 Movement in deferred income tax liability balance is as follows:		
Balance as on 01 July	56,397	70,280
Less:		
Recognized in statement of profit or loss:		
- accelerated tax depreciation	5,162	(6,742)
- staff retirement gratuity	(7,927)	(4,915)
- deferred income - Government grant	-	44
- allowance for expected credit losses	1,566	(2,224)
- provision for GIDC	3,236	(46)
	2,037	(13,883)
Deferred income tax liability	58,434	56,397
5.1.1 Charged to the statement of profit or loss:		
Net movement of temporary differences (Note 5.1)	2,037	(13,883)
- on remeasurement of staff retirement gratuity	199	(34)
Charged to the statement of profit or loss (Note 25)	2,236	(13,917)



2024 **2023**
(RUPEES IN THOUSAND)

6. STAFF RETIREMENT GRATUITY

The latest actuarial valuation of the staff retirement gratuity was conducted on 30 June 2024 using the Projected Unit Credit Actuarial Cost Method.

6.1 Movement in the present value of staff retirement gratuity

Balance at the beginning of the year	51,793	35,039
Add:		
Provision for the year (Note 6.2)	29,555	20,939
Remeasurements recognized in other comprehensive income (Note 6.3)	642	(120)
Liability transferred from other company	-	664
	<u>81,990</u>	<u>56,522</u>
Less:		
Payments made during the year	(7,077)	(3,638)
Increase in current liability - net	(1,720)	(1,091)
	<u>(8,797)</u>	<u>(4,729)</u>
Balance at the end of the year	<u>73,193</u>	<u>51,793</u>

6.2 Provision for the year

Current service cost	21,853	16,610
Interest cost	7,702	4,329
	<u>29,555</u>	<u>20,939</u>

6.2.1 Provision for the year has been allocated as follows:

Cost of sales (Note 19)	26,229	18,618
Distribution cost (Note 20)	370	227
Administrative expenses (Note 21)	2,956	2,094
	<u>29,555</u>	<u>20,939</u>

6.3 Remeasurements recognized in other comprehensive income

Actuarial (gain) / loss from changes in financial assumptions	(366)	523
Experience adjustments	1,008	(643)
	<u>642</u>	<u>(120)</u>

6.4 Reconciliation of present value of defined benefit obligation as at 30 June is given below:

Present value of defined benefit obligation as at 01 July	51,793	35,039
Current service cost	21,853	16,610
Interest cost	7,702	4,329
Liability transferred from other company	-	664
Benefits paid during the year	(7,077)	(3,638)
Benefits due but not yet paid	(1,720)	(1,091)
Experience adjustments	1,008	(643)
Actuarial (gain) / loss from changes in financial assumptions	(366)	523
Present value of defined benefit obligation as at 30 June	<u>73,193</u>	<u>51,793</u>

6.5 Principal actuarial assumptions used

Discount rate for interest cost in profit or loss charge	16.25%	13.25%
Discount rate for year end obligation	14.75%	16.25%
Expected rate of increase in salary (per annum)	13.75%	15.25%
Average duration of the benefit (years)	6	6
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year
Withdrawal rate	Age based	Age based
Retirement assumption	Age 60	Age 60

6.5.1 Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in Pakistan.

6.6 Sensitivity analysis for actuarial assumptions

The calculation of staff retirement gratuity is sensitive to assumptions given in Note 6.5. The related sensitivity is as follows:

	2024	2023
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(4,036)	(2,747)
Decrease in assumption (Rupees in thousand)	4,561	3,098
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	4,775	3,250
Decrease in assumption (Rupees in thousand)	(4,305)	(2,935)

The sensitivity analysis of the above sensitivities are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit plan to significant actuarial assumptions, the same method (present value of the defined benefit plan calculated with the projected unit credit method at the end of the reporting period) has been applied.

6.7 Projected benefit payments from plan

Followings are the expected distribution and timing of benefit payments at year end:

Year(s)	2024 (RUPEES IN THOUSAND)	2023
2024	-	13,528
2025	17,245	14,051
2026	17,981	12,786
2027 to 2033	126,650	111,853
2034 and onwards	1,463,176	1,481,189

6.8 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 June 2025 are Rupees 36.111 million.

6.9 Risks associated with the scheme

Final salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

- **Mortality risk** - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Withdrawal risk** - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

**7. LONG TERM SECURITY DEPOSIT**

This deposit is interest free and is being utilized for the purpose of business in accordance with the terms of written agreement with Beacon Impex (Private) Limited - associate and repayable on completion of contract period. The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of this deposit is not considered material and hence not recognized.

8. TRADE AND OTHER PAYABLES

	2024	2023
	(RUPEES IN THOUSAND)	
Creditors	70,468	91,267
Gas Infrastructure Development Cess (GIDC) payable (Note 8.1)	11,348	11,348
Accrued liabilities (Note 8.2)	167,525	125,677
Income tax deducted at source	8,167	202
Sales tax payable	10,904	13,346
Workers' profit participation fund (Note 8.3)	12,057	8,757
Workers' welfare fund (Note 8.4)	13,171	9,024
	<u>293,640</u>	<u>259,621</u>

8.1 This represents amount payable on account of Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. On 13 August 2020, Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. In connection with this decision, the Company filed a writ petition in Honorable Lahore High Court, Lahore on 14 September 2020 against the charge of GIDC at the rate of captive power consumer instead of industrial consumer. However the outcome of the writ petition is pending.

8.2 These include gratuity payable due but not paid to employees amounting to Rupees 1.720 million (2023: Rupees 1.091 million).

8.3 Workers' profit participation fund

Balance as on 01 July	8,757	6,971
Add: Provision for the year (Note 22)	9,768	7,248
Add: Interest for the year (Note 24)	558	516
	<u>19,083</u>	<u>14,735</u>
Less: Payments made during the year	7,026	5,978
Balance as on 30 June	<u>12,057</u>	<u>8,757</u>

8.4 Workers' welfare fund

Balance as on 01 July	9,024	5,145
Add: Provision for the year (Note 22)	4,147	3,879
Balance as on 30 June	<u>13,171</u>	<u>9,024</u>

9. PROVISION FOR TAXATION AND LEVY PAYABLE - NET**Provision for taxation - net**

Provision for taxation	65,927	54,801
Less: Advance income tax	<u>(62,021)</u>	<u>(40,981)</u>
	3,906	13,820

Levy payable - net

Levy payable	392	621
Less: Prepaid levy	<u>(392)</u>	<u>(621)</u>
	-	-
	<u>3,906</u>	<u>13,820</u>

10. CONTINGENCIES AND COMMITMENTS**a) Contingencies**

- i)** Guarantees of Rupees 20 million (2023: Rupees 20 million) are given by the Bank of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections.
- ii)** The Company filed writ petitions in Honorable Lahore High Court, Lahore on 17 August 2023 and 16 August 2024, subsequent to reporting date, against the recovery of demands having collective amount of Rupees 14.883 million on increased rate of minimum wages raised by Employees Old Age Benefits Institution (EOBI). Keeping in view of the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds of favorable outcome of the petitions.

b) Commitments

There was no commitment as at 30 June 2024 (2023: Rupees Nil).

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings on freehold land	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Power generation house	Electric installations	Factory equipment	Electric equipment and appliances	Total
RUPEES IN THOUSAND											
At 30 June 2022											
Cost / revalued amount	53,462	140,345	638,151	1,157	3,313	26,162	79,621	30,549	5,970	2,195	980,925
Accumulated depreciation	-	(26,595)	(426,295)	(1,080)	(2,769)	(19,991)	(55,292)	(18,006)	(5,677)	(1,910)	(557,615)
Net book value	53,462	113,750	211,856	77	544	6,171	24,329	12,543	293	285	423,310
Year ended 30 June 2023											
Opening net book value	53,462	113,750	211,856	77	544	6,171	24,329	12,543	293	285	423,310
Additions	-	10,386	-	-	-	-	-	-	-	-	10,386
Disposals:											
Cost / revalued amount	-	-	(14,112)	-	-	-	-	-	-	-	(14,112)
Accumulated depreciation	-	-	13,389	-	-	-	-	-	-	-	13,389
	-	-	(723)	-	-	-	-	-	-	-	(723)
Depreciation charge	-	(11,971)	(21,180)	(8)	(54)	(1,234)	(2,433)	(1,254)	(29)	(28)	(38,191)
Closing net book value	53,462	112,165	189,953	69	490	4,937	21,896	11,289	264	257	394,782
At 30 June 2023											
Cost / revalued amount	53,462	150,731	624,039	1,157	3,313	26,162	79,621	30,549	5,970	2,195	977,199
Accumulated depreciation	-	(38,566)	(434,086)	(1,088)	(2,823)	(21,225)	(57,725)	(19,260)	(5,706)	(1,936)	(582,417)
Net book value	53,462	112,165	189,953	69	490	4,937	21,896	11,289	264	257	394,782
Year ended 30 June 2024											
Opening net book value	53,462	112,165	189,953	69	490	4,937	21,896	11,289	264	257	394,782
Additions	-	2,235	120,136	124	537	5,208	13,314	785	145	-	142,484
Disposals:											
Cost	-	-	-	-	-	(6,287)	-	-	-	-	(6,287)
Accumulated depreciation	-	-	-	-	-	3,077	-	-	-	-	3,077
	-	-	-	-	-	(3,210)	-	-	-	-	(3,210)
Depreciation charge	-	(11,364)	(19,147)	(12)	(75)	(1,458)	(2,201)	(1,187)	(27)	(25)	(35,496)
Closing net book value	53,462	103,036	290,942	181	952	5,477	33,009	10,887	362	232	498,560
At 30 June 2024											
Cost / revalued amount	53,462	152,966	744,175	1,281	3,850	25,083	92,935	31,334	6,115	2,195	1,113,396
Accumulated depreciation	-	(49,930)	(453,233)	(1,100)	(2,898)	(19,606)	(59,926)	(20,447)	(5,733)	(1,963)	(614,836)
Net book value	53,462	103,036	290,942	181	952	5,477	33,009	10,887	362	232	498,560
Annual rate of depreciation (%)	-	10	10	10	10	20	10	10	10	10	10



- 11.1** Had there been no revaluation, the cost, accumulated depreciation and book value of the revalued assets would have been as follows:

	Cost	Accumulated depreciation	Net book value
----- (RUPEES IN THOUSAND) -----			
Freehold land	21,019	-	21,019
Buildings on freehold land	64,468	35,908	28,560
Plant and machinery	381,644	187,106	194,538
Power generation house	80,832	52,544	28,288
2024	547,963	275,558	272,405
2023	412,278	262,793	149,485
	2024	2023	
	(RUPEES IN THOUSAND)		

- 11.2 Depreciation charged during the year has been allocated as follows:**

Cost of sales (Note 19)	33,951	36,895
Administrative expenses (Note 21)	1,545	1,296
	<u>35,496</u>	<u>38,191</u>

- 11.3** Particulars of immovable properties (i.e. land and buildings) in the name of the Company are as follows:

Particulars	Location	Area of land	Covered area of buildings
		Kanals	Sq. ft.
Manufacturing facility	35 Kilometers, Main Sheikhpura Road, Mouza Johal, Faisalabad	42.77	156 400

- 11.4** Forced sales value of revalued property, plant and equipment as per last revaluation carried out on 31 December 2021 was Rupees 333.552 million.

12. LONG TERM DEPOSITS AND PREPAYMENT

Security deposits	11,099	12,399
Prepayment	323	103
	<u>11,422</u>	<u>12,502</u>
Less: Current portion shown under current assets (Note 16)	232	103
	<u>11,190</u>	<u>12,399</u>

13. STORES, SPARE PARTS AND LOOSE TOOLS

Stores	32,191	19,814
Spare parts	47,209	37,771
Loose tools	321	191
	<u>79,721</u>	<u>57,776</u>

14. TRADE DEBTS

Considered good:

Unsecured

Related party (Note 14.2)	27,458	47,753
Others	41,166	48,821

	<u>68,624</u>	<u>96,574</u>
Less: Allowance for expected credit losses (Note 14.4)	2,138	7,821
	<u>66,486</u>	<u>88,753</u>



	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
14.1 Trade debts in respect of foreign and local jurisdictions is given under:		
Egypt	-	29,159
Pakistan	66,486	59,594
	<u>66,486</u>	<u>88,753</u>
14.2 This represents amount due from Beacon Impex (Private) Limited, an associate. The receivable balance is neither past due nor impaired. The maximum aggregate amount receivable from the related party at the end of any month during the year was Rupees 179.005 million (2023: Rupees 47.753 million)		
14.3 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 7 to 30 days from delivery in case of local sales and 30 to 60 days from the date of shipment in case of export sales.		
14.4 Allowance for expected credit losses:		
Balance as at 01 July	7,821	17
Add: Recognized during the year	-	7,804
	<u>7,821</u>	<u>7,821</u>
Less: Recovered during the year (Note 23)	(5,683)	-
Balance as at 30 June	<u>2,138</u>	<u>7,821</u>
15. LOANS AND ADVANCES		
Considered good:		
Employees - interest free:		
against salary (Note 15.1)	2,416	2,172
against expenses	25	510
Advances to suppliers	611	1,587
	<u>3,052</u>	<u>4,269</u>
15.1 These represent interest free loans given to employees for meeting their personal expenditure and are secured against balances to the credit of employees in the staff retirement gratuity. These are recoverable in equal monthly installments.		
16. SHORT TERM DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES		
Considered good:		
Security deposits	10,284	51
Current portion of long term deposits and prepayment (Note 12)	232	103
Sales tax refundable	33,149	-
	<u>43,665</u>	<u>154</u>
17. CASH AND BANK BALANCES		
With banks:		
on current accounts (Note 17.1)	12,200	5,064
on saving account (Note 17.2)	11,513	10
	<u>23,713</u>	<u>5,074</u>
Cash in hand	127	1,495
	<u>23,840</u>	<u>6,569</u>
17.1 These include Rupees 11.235 million (2023: Rupees Nil) lying in a current account under lien of The Bank of Punjab against guarantee given on behalf of the Company.		
17.2 Rate of profit on saving account was 20.50% (2023: 12.25% to 19.50%) per annum.		



	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
18. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Export sales of fabric	-	89,225
Conversion and doubling income	2,135,624	1,746,098
Less: Sales tax	(325,773)	(258,466)
	1,809,851	1,487,632
Export rebate	-	836
	1,809,851	1,577,693
18.1	The Company has recognized revenue of Rupees Nil (2023: Rupees 14.944 million) from amount included in contract liabilities at the year end.	
18.2	The Company's revenue from external customers by geographical locations is disaggregated as follows:	
Egypt	-	59,140
Ethiopia	-	580
Sri Lanka	-	30,341
Pakistan	1,809,851	1,487,632
	1,809,851	1,577,693
18.3	Revenue is recognized at point in time as per the terms and conditions of underlying contracts with customers.	
19. COST OF SALES		
Salaries, wages and other benefits	659,529	555,663
Staff retirement benefit (Note 6.2.1)	26,229	18,618
Cost of finished goods sold	-	76,828
Fuel and power	510,412	386,751
Telephone	394	420
Stores, spare parts and loose tools consumed	98,202	92,870
Packaging materials and other charges	89,785	72,531
Repair and maintenance	27,917	26,188
Travelling and conveyance	15,481	12,470
Transportation and handling	1,623	2,558
Rent, rates and taxes (Note 19.1)	96,000	92,400
Other factory overheads	16,219	15,778
Insurance	5,220	5,627
Depreciation (Note 11.2)	33,951	36,895
	1,580,962	1,395,597
19.1	These represent rent in respect of short term leases.	
20. DISTRIBUTION COST		
Salaries and other benefits	3,480	3,120
Staff retirement benefit (Note 6.2.1)	370	227
Commission to selling agents	-	196
Outward freight and handling	212	1,915
Clearing and forwarding	-	417
Export development surcharge	98	172
	4,160	6,047

	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
21. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	19,184	17,069
Staff retirement benefit (Note 6.2.1)	2,956	2,094
Travelling and conveyance	101	97
Advertisement, printing and stationery	753	697
Electricity, sui gas and water	2,074	1,385
Postage and telephone	527	526
Rent, rates and taxes (Note 21.1)	1,440	1,380
Repair and maintenance	3,679	4,544
Auditor's remuneration (Note 21.2)	1,600	1,250
Legal and professional	2,150	1,911
Fee, subscription and periodicals	1,910	1,327
Entertainment	543	318
Others	1,331	1,848
Depreciation (Note 11.2)	1,545	1,296
	<u>39,793</u>	<u>35,742</u>
21.1 These represent rent in respect of short term leases.		
21.2 Auditor's remuneration		
Audit fee	1,000	900
Other certifications including half yearly review	600	350
	<u>1,600</u>	<u>1,250</u>
22. OTHER EXPENSES		
Workers' profit participation fund (Note 8.3)	9,768	7,248
Workers' welfare fund (Note 8.4)	4,147	3,879
Allowance for expected credit losses	-	7,804
	<u>13,915</u>	<u>18,931</u>
23. OTHER INCOME		
Income from financial assets		
Profit on saving accounts	1,869	35
Reversal of allowance for expected credit losses (Note 14.4)	5,683	-
Exchange gain - net	2,231	11,902
	<u>9,783</u>	<u>11,937</u>
Income from non - financial assets		
Sale of scrap	2,670	11,575
Gain on sale of property, plant and equipment	716	474
Amortization of deferred income - Government grant	-	155
	<u>3,386</u>	<u>12,204</u>
	<u>13,169</u>	<u>24,141</u>
24. FINANCE COST		
Mark-up on long term financing	-	79
Interest on workers' profit participation fund (Note 8.3)	558	516
Amortization of deferred income - Government grant	-	155
Unwinding of discount on GIDC payable	-	4
Bank charges and commission	505	438
	<u>1,063</u>	<u>1,192</u>



	2024	2023
	(RUPEES IN THOUSAND)	
25. TAXATION		
Current (Note 25.1)	64,888	53,746
Prior year adjustment	898	1,500
Deferred (Note 5.1.1)	2,236	(13,917)
	<u>68,022</u>	<u>41,329</u>

25.1 Provision for current tax represents corporate tax and super tax calculated as per Section 4C of Income Tax Ordinance,

25.2 Reconciliation between tax expense and accounting profit

Accounting profit before taxation	182,735	143,704
Tax on profit @ 29% (2023: 29%)	52,993	41,674
Tax effect of super tax	4,212	1,812
Tax effect of prior year adjustment	898	1,500
Tax effect arising as a consequence of recognition of deferred income tax	2,236	(13,917)
Others	7,683	10,260
	<u>68,022</u>	<u>41,329</u>

26. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2024	2023
Profit after taxation attributable to ordinary shareholders	(Rupees in thousand)	114,713	102,375
Weighted average number of ordinary shares	(Numbers)	13 174 800	13 174 800
Earnings per share	(Rupees)	8.71	7.77

27. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	LONG TERM FINANCING (RUPEES IN THOUSAND)
Balance as at 01 July 2023	-
Movement during the year	-
Balance as at 30 June 2024	<u>-</u>
Balance as at 01 July 2022	19,841
Repayment of financing	(19,996)
Amortization of deferred grant-net	155
Balance as at 30 June 2023	<u>-</u>

28. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in these financial statements for remuneration including all benefits and perquisites to the Chief Executive Officer, directors and executives of the Company are given below:

DESCRIPTION	2024			2023		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
----- (RUPEES IN THOUSAND) -----						
Managerial remuneration	833	1,143	13,472	712	952	8,172
Allowances						
House rent	333	457	5,389	320	429	3,269
Others	83	114	7,323	36	48	4,819
	1,249	1,714	26,184	1,068	1,429	16,260
Number of persons	1	1	6	1	1	3

28.1 The executives are provided with fuel reimbursement, free residence and mobile phone expenses reimbursement.

28.2 Aggregate amount charged in these financial statements for meeting fee to 7 (2023: 7) directors, including Chief Executive Officer of the Company was Rupees 1.094 million (2023: Rupees 0.556 million).

28.3 Apart from meeting fee mentioned in Note 28.2, no remuneration was paid to non-executive directors of the Company.

29. NUMBER OF EMPLOYEES

	2024	2023
Number of employees as at 30 June	952	982
Average number of employees during the year	969	938

30. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the associate and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements are as follows:

	2024 (RUPEES IN THOUSAND)	2023
Transactions with associate		
Purchase of goods and other shared services	140,177	196,479
Revenue from conversion and doubling of yarn	1,710,182	1,244,694
Receipt of long term security deposit	-	30,000
Other related parties		
Sale of vehicles to executives	3,926	-

30.1 Beacon Impex (Private) Limited (BIPL) is the associate of the Company holding 34.5091% shareholding in the Company.

30.2 Detail of compensation to key management personnel is disclosed in Note 28.

31. ENTITY - WIDE INFORMATION

The Company constitutes of a single reportable segment. The Company does not hold non-current assets in any foreign country. There is one major customer (2023: one major customer) of the Company representing revenue of Rupees 1,710.182 million (2023: Rupees 1,244.694 million).

32. PLANT CAPACITY AND ACTUAL PRODUCTION

Plant capacity and actual production is not given because the Company is currently performing yarn processing arrangements for third parties with no involvement of Company's own raw material purchases.

33. FINANCIAL RISK MANAGEMENT

33.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company was exposed to currency risk arising primarily with respect to the United States Dollar (USD). The Company's exposure to currency risk was as follows:

	2024	2023
Trade debts - USD	-	101,741

Following significant exchange rates were applied during the year:

Rupees per US Dollar

Average rate	-	209.18
Reporting date rate	-	286.60

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees Nil (2023: Rupees 1.341 million) higher / lower mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from bank balance in saving account. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2024 (RUPEES IN THOUSAND)	2023
Floating rate instruments		
Financial assets		
Bank balance in saving account	11,513	10
Cash flow sensitivity analysis for variable rate instruments		

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 0.074 million (2023: Rupees Nil) higher / lower, mainly as a result of higher / lower interest income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
Deposits	21,383	12,450
Trade debts	66,486	88,753
Loans and advances	2,416	2,172
Bank balances	23,713	5,074
	<u>113,998</u>	<u>108,449</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
	Short Term	Long term	Agency		
Banks					
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	814	3,763
The Bank of Punjab	A1+	AA+	PACRA	22,794	876
MCB Bank Limited	A1+	AAA	PACRA	105	435
				<u>23,713</u>	<u>5,074</u>

Due to the Company's long standing business relationships with these counterparties, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the senior management. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Management uses actual historical credit loss experience, credit risk characteristics and past days due, adjusted for forward-looking factors specific to the debtors and the economic environment to determine expected credit loss allowance.

The Company's exposure to credit risk related to trade debts due from other than the related party is as follows:

	GROSS AMOUNT		EXPECTED CREDIT LOSSES	
	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
Not past due	5,219	5,372	-	-
Upto 1 month	6,910	1,926	-	-
1 to 6 months	25,582	3,899	-	-
6 months to 1 year	1,317	29,803	-	-
More than 1 year	2,138	7,821	2,138	7,821
	<u>41,166</u>	<u>48,821</u>	<u>2,138</u>	<u>7,821</u>

The management believes that all unimpaired amounts are collectable in full, based on historical payment behaviour and extensive analysis of consumer credit risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset.

The Company's approach to manage liquidity risk is by maintaining sufficient cash. There is no unavailed credit facility available to the Company. However as at 30 June 2024, the Company had Rupees 23.840 million (2023: Rupees 6.569 million) cash and bank balances. Management believes that currently the liquidity risk to be low. The contractual maturities of financial liabilities are disclosed in the table depicting undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 1 year
	(RUPEES IN THOUSAND)				
Non-derivative financial liabilities:					
Long term security deposit	30,000	30,000	-	-	30,000
Trade and other payables	237,993	237,993	237,993	-	-
	<u>267,993</u>	<u>267,993</u>	<u>237,993</u>	<u>-</u>	<u>30,000</u>



Contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 1 year
(RUPEES IN THOUSAND)					
Non-derivative financial liabilities:					
Long term security deposit	30,000	30,000	-	-	30,000
Trade and other payables	216,944	216,944	216,944	-	-
	<u>246,944</u>	<u>246,944</u>	<u>216,944</u>	<u>-</u>	<u>30,000</u>

33.2 Financial instruments by categories

	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
Financial assets as per statement of financial position		
Deposits	21,383	12,450
Trade debts	66,486	88,753
Loans and advances	2,416	2,172
Cash and bank balances	23,840	6,569
	<u>114,125</u>	<u>109,944</u>
Financial liabilities as per statement of financial position		
Long term security deposit	30,000	30,000
Trade and other payables	237,993	216,944
	<u>267,993</u>	<u>246,944</u>

33.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as

	2024			2023		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
(RUPEES IN THOUSAND)						
Assets as per statement of financial position						
Long term deposits and prepayment	11,099	91	11,190	12,399	-	12,399
Trade debts	66,486	-	66,486	88,753	-	88,753
Loans and advances	2,416	636	3,052	2,172	2,097	4,269
Short term deposits, prepayment and other receivables	10,284	33,381	43,665	51	103	154
Cash and bank balances	23,840	-	23,840	6,569	-	6,569
	<u>114,125</u>	<u>34,108</u>	<u>148,233</u>	<u>109,944</u>	<u>2,200</u>	<u>112,144</u>
	2024			2023		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
(RUPEES IN THOUSAND)						
Liabilities as per statement of financial position						
Long term security deposit	30,000	-	30,000	30,000	-	30,000
Trade and other payables	237,993	55,647	293,640	216,944	42,677	259,621
	<u>267,993</u>	<u>55,647</u>	<u>323,640</u>	<u>246,944</u>	<u>42,677</u>	<u>289,621</u>

33.4 Offsetting financial assets and financial liabilities

As on the reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

33.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

34. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

35. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS**(i) Fair value hierarchy**

Judgements and estimates are made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2024

	Level 1	Level 2	Level 3	Total
----- RUPEES IN THOUSAND -----				
Freehold land	-	53,462	-	53,462
Buildings on freehold land	-	103,036	-	103,036
Plant and machinery	-	290,942	-	290,942
Power generation house	-	33,009	-	33,009
Total non-financial assets	-	480,449	-	480,449

At 30 June 2023

	Level 1	Level 2	Level 3	Total
----- RUPEES IN THOUSAND -----				
Freehold land	-	53,462	-	53,462
Buildings on freehold land	-	112,165	-	112,165
Plant and machinery	-	189,953	-	189,953
Power generation house	-	21,896	-	21,896
Total non-financial assets	-	377,476	-	377,476

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its freehold land, buildings on freehold land, plant and machinery and power generation house (classified as property, plant and equipment) after significant intervals. The management updates the assessment of the fair value of freehold land, buildings on freehold land, plant and machinery and power generation house taking into account the most recent independent valuations. The management determines the property's value within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building. The best evidence of fair value of plant and machinery and power generation house is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the value of new plant and machinery and power generation house of the same specifications.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of freehold land, buildings on freehold land, plant, machinery and power generation house after significant intervals.

Changes in fair values are analyzed at each reporting date during discussion between the management of the Company and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

36. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	NOTE	2024	2023
		(RUPEES IN THOUSAND)	
Revenue earned from shariah compliant business	18	1,809,851	1,577,693
Exchange gain	23	2,231	11,902
Profit earned / interest paid on any conventional loan / advance:			
Mark-up on long term financing		-	79
Profit on saving account with bank	23	1,869	35

There was no dividend on any investment and no loan / advance as per Islamic mode. Moreover there was no relationship with any shariah compliant banks.

37. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 26, 2024 by the Board of Directors of the Company.

38. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made except for as given in Note 2.4 and as given below:

PARTICULARS	RECLASSIFICATION		RUPEES IN THOUSAND
	FROM	TO	
Gas Infrastructure Development Cess payable	Current Portion of non-current liabilities	Trade and other payables	11,348

39. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th **Annual General Meeting ("AGM")** of Arctic Textile Mills Limited, ("the Company") will be held on Saturday, October 26, 2024 at its Registered Office, 133-134, Regency the Mall, Faisalabad at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS:

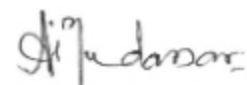
1. To confirm the minutes of Annual General Meeting ("AGM") held on October 27, 2023.
2. To receive, consider and approve the annual Audited Financial Statements of the Company for the year ended June 30, 2024 together with the Auditors Report, Directors Report, & Chairman Review Report.
3. To appoint Auditors of the Company and fix their remuneration. The retiring Auditors, M/S Riaz Ahmad & Company, Chartered accountants who offered themselves for re-appointment.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the resolution appearing below:
"Resolved that the Authorized Capital of the Company be increased from Rupees 170 million (Rupees One Hundred and Seventy Million Only) to Rupees 300 million (Rupees Three Hundred Million Only), divided into 30,000,000 ordinary shares of Rupees 10 each".
"Further Resolved that the clause V of the Memorandum and clause 5 of the Articles of Association will be amended to reflect this increase in Authorized Capital".
"Further Resolved that the Chief Executive Officer and the Company Secretary are hereby authorized to take all necessary actions to implement the increase in the Company's authorized share capital and to amend the relevant clauses of the Memorandum and Articles of Association accordingly."

OTHER BUSINESS:

5. To transact any other business with the permission of the chair.

A handwritten signature in dark ink, likely belonging to the Company Secretary.

**BY ORDER OF THE BOARD
COMPANY SECRETARY**

Dated: October 04, 2024
Faisalabad.

As required under section 223(6) of the companies Act, 2017 ("the Act") Financial Statements of the Company has been uploaded on the website of the Company, which can be download from the following link / QR code:

<https://www.arctictextile.com/financial-statement.html>



NOTES:

1. The share transfer books of the Company shall remain closed from October 18, 2024 to October 26, 2024 (both days inclusive), to determine the names of members entitled to attend the meeting. Transfers received in order at Registered Office of the Company or our Share Registrar, M/S Corp link (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on 17 October, 2024 will be considered in time.

2. All members entitled to attend and vote at this meeting may appoint a person/representative as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy and Power of Attorney or other authority under which it is signed or notarially certified copy of the Power of Attorney must be received at Registered Office of the Company, duly stamped, signed and witnessed not less than 48 hours before the meeting. An instrument of Proxy applicable for meeting is available on www.arctictextile.com who have deposited their shares into Central Depository Company of Pakistan ("CDC") will further have to follow the mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan. A proxy must be a member.
3. The shareholders intended to participate in AGM through electronics mean, are hereby requested to get themselves registered with the Company by providing the required details (Name, CNIC Number, Folio CDC Account Number, Cell Number & E-Mail ID for their identification) by the end of business on 25 October 2024 through email at info@arctictextile.com. and / or through Mobile / WhatsApp no. 0333-6598588
4. Members are requested to notify changes, if any, in their registered address.
5. Shareholders, being individual whose shares are deposited with Central Depository System (CDS) are requested to bring their Computerized National Identity Card (CNIC) / Original Passport along with their Account Number in CDS for verification. In case of corporate entity, the Board of Director's Resolution / Power of Attorney with specimen signatures of the nominee shall be produced (unless provided earlier) at the time of the meeting.
6. Members are hereby informed that pursuant to SECP vide SRO 787(1)/2014 dated September 8, 2014 and Section 223(6) of the Companies Act, 2017 has provided an option to receive audited financial statements electronically through email. Hence, member who hold shares in physical form and are interested in receiving the annual reports electronically in future are required to submit their e-mail addresses and consent for electronic transmission to the Shares Registrar of the company by filling the form available at company's website: www.arctictextile.com, or may contact us through e-mail info@arctictextile.com.
7. As per Section 72 of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Act. In this regard, SECP vide its File No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised all the listed companies to pursue their shareholders who still hold shares in physical form, requiring them to convert their shares in book-entry-form. Holding shares in book-entry form has numerous benefits including secure custody of shares, instantaneous transfer of ownership and no risk of damaged, lost, forged or duplicate certificates. Accordingly, Shareholders having physical shareholding are requested to convert their shares in book-entry form by opening CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form.



8. Pursuant to section 242 of the Companies Act, 2017, all listed companies must pay cash dividend through electronic mode. Physical Share Holders are required to provide immediately their "International Bank Account Number ("IBAN") containing the title of Account, along with name of Bank, Branch name, and address. In case share are held in CDC then Electronic Credit Mandate Form shall be dispatched directly to Shareholder's broker / participant / CDC Investor Account Services. The members of the company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.
9. Members can also exercise their right of E-Voting subject to the requirements of Section 143-145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) regulations 2018.
10. In compliance with SECP, the audited financial statements and reports of the Company for the year ended June 30th, 2024, & notice of AGM to be held on October 26, 2024 are being placed on the Company's website: www.arctictextile.com
11. Pursuant to Section 132(2) & section 134(b) of the Companies Act, 2017, if Company receives consent from Shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to registered office of the Company:

12.	Folio / CDC Account No	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal / Joint Shareholder
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"I/We _____ of _____ being a member of Arctic Textile Mills Limited, holder of _____ ordinary Share(s) vide folio no. CDC/Account _____ hereby opt for video conference facility at _____."

Signature of Member

13. Circulation the Annual Audited Financial Statements to their members through QR enabled code and weblink

The Securities and Exchange Commission of Pakistan has allowed listed companies, through its SRO No. 389(I)2023 dated March 21, 2023 to circulate the Annual Audited Financial Statements to their members through QR enabled code and weblink instead of transmitting the Annual Audited Financial Statements through CD/DVD/USB. The Company shall circulate Annual Audited Financial Statements through email address in case it has been provided by the members to the Company, and upon demand, supply hard copies of the Annual Audited Financial to the members free of cost / or download from <https://www.arctictextile.com/financial-statement.html>



For any query / information, the investors may contact the Company / Share Registrar at the following:

Company's Registered Office 133-134, Regency the Mall, Faisalabad.	Share Registrar Corplink (Private) Limited Wings Arcade, 1 K Commercial, Model Town, Lahore
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STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out all the material facts concerning Special Business under Agenda Item No. 4 be transacted at the Annual General Meeting of the Company to be held on October 26, 2024.

Currently, the Authorized Share Capital of Arctic Textile Mills Limited stands at Rupees 170,000,000. To support the anticipated growth of the Company, it is deemed necessary to increase the Authorized Share Capital from Rupees 170,000,000 to Rupees 300,000,000, divided into 30,000,000 ordinary shares of Rupees 10 each.

**FORM 34****PATTERN OF SHAREHOLDING**

1. Name of the Company **Arctic Textile Mills Limited**
2. Incorporation number **0014146**
3. Pattern of holding of the shares held by the shareholders as at

30-06-2024

-----Shareholdings-----			
3.1 No. of Shareholders	From	To	Total Shares Held
404	1	100	39,300
779	101	500	296,450
206	501	1,000	188,300
179	1,001	5,000	461,466
41	5,001	10,000	288,000
29	10,001	15,000	381,540
9	15,001	20,000	166,900
4	20,001	25,000	89,500
1	25,001	30,000	27,100
4	30,001	35,000	129,300
1	35,001	40,000	39,500
2	55,001	60,000	115,700
4	60,001	65,000	245,000
1	65,001	70,000	66,062
2	70,001	75,000	146,400
1	80,001	85,000	84,000
1	85,001	90,000	85,482
1	90,001	95,000	91,600
3	95,001	100,000	300,000
1	100,001	105,000	100,500
1	140,001	145,000	144,000
1	190,001	195,000	191,800
1	200,001	205,000	205,000
2	310,001	315,000	620,300
1	465,001	470,000	468,400
2	560,001	565,000	1,124,900
1	595,001	600,000	599,800
1	960,001	965,000	962,000
1	965,001	970,000	970,000
1	4,545,001	4,550,000	4,546,500
1,685			13,174,800



4. Categories of Shareholders	Shares Held	Percentage
1 Directors, Chief Executive Officer, and their spouse and minor children	2,022,000	15.3475%
2 Associated Companies, undertakings and related parties. (Parent Company)	4,546,500	34.5091%
3 NIT and ICP	149,300	1.1332%
4 Banks Development Financial Institutions, Non Banking Financial Institutions.	681,200	5.1705%
5 Insurance Companies	26,000	0.1973%
6 Modarabas and Mutual Funds	36,200	0.2748%
7 Shareholders holding 10% or more	4,546,500	34.5091%
8 General Public		
a. Local	5,457,500	41.4238%
b. Foreign	0	0.0000%
9 Others (to be specified) Joint Stock Companies	256,100	1.9439%

Ali Mudassar
Company Secretary



**Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2024**

Sr. No.	Name	Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

1	BEACON IMPEX (PRIVATE) LIMITED	4,546,500	34.51%
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Mutual Funds (Name Wise Detail)

- -

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. MUHAMMAD ASHRAF	10,000	0.08%
2	MR. ZEESHAN SAEED (CDC)	982,600	7.46%
3	MR. MUHAMMAD IQBAL (CDC)	994,400	7.55%
4	MRS. SAIRA	15,000	0.11%
5	MR. USMAN MAHMOOD	20,000	0.15%
6	MR. QAISER NASIR (Nominee of Beacon Impex)	-	-
7	MR. MUHAMMAD AMMAN ADIL (Nominee of Beacon Impex)	-	-

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance	743,400	5.64%
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Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	BEACON IMPEX (PRIVATE) LIMITED	4,546,500	34.51%
2	MR. MUHAMMAD IQBAL	994,400	7.55%
3	MR. ZEESHAN SAEED	982,600	7.46%

Gender pay gap statement under Circular 10 of 2024

Following is gender pay gap calculated for the year ended 30 June 2024:

- (i) Mean Gender Pay Gap: The mean pay for men is 10.64% higher than of women.
- (ii) Median Gender Pay Gap: The median pay for men is equal to women.

A handwritten signature in black ink, appearing to read 'Muhamad Iqbal'.

Muhamad Iqbal
Chief Executive Officer

Date: 26 September, 2024

Form of Proxy

I /V/e _____

of _____

being a member of Arctic Textile Mills Limited , hereby appoint _____

of _____

or failing him/her _____

of _____

member(s) of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on October 26, 2024 (Saturday), at 11:00 A.M at 133-134, Regency The Mall, Faisalabad.

as witness may hand this _____ day of _____ 2024

Signed by the said member _____

in presence of _____

Please
affix
revenue
stamp

Signature(s) of Member(s)

Signature of witness

Name

Address

CNIC #

Signature of witness

Name

Address

CNIC #

Please quote:

Folio No.	Shares held	CDC A/C. No.

Important: This instrument appointing a proxy, duly completed, must be received at the Registered Office of the Company at 133-134, Regency The Mall, Faisalabad. not later than 48 hours before the time to holding the annual general meeting.

پراکسی فارم

میں ام / مسما: _____ ساکن _____ ضلع _____ بحیثیت ممبر کمپنی، مسما / مسما: _____
ساکن _____ کمپنی ممبر یا اسکی عدم موجودگی کی صورت میں مسما / مسما: _____ ساکن _____ کمپنی ممبر کو بطور مختار
(پراکسی) مقرر کرتا کرتی ہوں، تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کے سالانہ اجلاس عام جو کہ بتاریخ 26 اکتوبر 2024 بوقت صبح 11:00 بجے آرکٹک ٹیکسٹائل ملز لمیٹڈ،
133-134 ریجنی دی مال، فیصل آباد میں منعقد ہو رہا ہے۔ میں بول سکے اور ووٹ ڈال سکے۔

دستخط بتاریخ _____ دن _____ 2024

ریونیوسٹپ چسپاں کریں

دستخط _____
(دستخط کمپنی میں موجود رجسٹرڈ دستخط کے مطابق ہونے چاہئیں)

فولیو نمبر _____
سی ڈی سی کمانڈ نمبر _____
حصص کی تعداد _____

کوائف گواہ نمبر 01

دستخط _____
نام _____
پتہ _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

کوائف گواہ نمبر 02

دستخط _____
نام _____
پتہ _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

نوٹ:

پراکسی فارم کمپنی کے رجسٹرڈ آفس آرکٹک ٹیکسٹائل ملز لمیٹڈ، 133-134 ریجنی دی مال، فیصل آباد، اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرانا لازمی ہے۔ بصورت دیگر وہ قابل قبول نہ ہوگا۔