

ARCTIC TEXTILE MILLS LIMITED
www.arctictextile.com

ACCOUNTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2024



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**COMPANY INFORMATION**

Board of Directors	Mr. Muhammad Ashraf Mr. Muhammad Iqbal Mr. Zeeshan Saeed Mr. Zahid Ali Mr. Qasim Ali Miss. Areej Tariq Mr. Qaiser Nasir	Chairman Chief Executive Officer Director Director (Independent) Director (Nominee BTPL) Director (Nominee BTPL)
Audit Committee	Mr. Zahid Ali Miss. Areej Tariq Mr. Muhammad Ashraf	Chairman Member Member
HR and Remuneration Committee	Mr. Qasim Ali Mr. Qaiser Nasir Mr. Muhammad Iqbal	Chairman Member Member
Nomination Committee	Mr. Muhammad Ashraf Mr. Zahid Ali Mr. Qasim Ali	Chairman Member Member
Risk Management Committee	Mr. Muhammad Iqbal Mr. Muhammad Ashraf Mr. Zahid Ali	Chairman Member Member
Sustainability Committee	Mr. Qasim Ali Mr. Qaiser Nasir Mr. Muhammad Iqbal	Chairman Member Member
Company Secretary	Mr. Ali Mudassar	
Chief Financial Officer	Mr. Muhammad Daniyal	
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	P-102, Jail Road, Faisalabad. +92-41-2605076 www.arctictextile.com, info@arctictextile.com	
Mills	35 - Kilometer, Sheikhpura Road, Faisalabad https://www.arctictextile.com/financial-statement.html	



DIRECTOR'S REPORT TO THE MEMBERS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

The Board of Directors of the Company is pleased to present the un-audited financial results of the Company reviewed by statutory auditors of the Company for the half year ended on 31 December 2024.

Financial Results:

The financial results of the Company for the half year ended 31 December 2024 are as follow:

	Half year ended	
	31 December 2024	31 December 2023
	(Rupees in thousand)	
REVENUE FROM CONTRACTS WITH CUSTOMERS	1,217,788	914,395
COST OF SALES	(1,137,367)	(797,155)
GROSS PROFIT	80,421	117,240
DISTRIBUTION COST	(4,013)	(2,126)
ADMINISTRATIVE EXPENSES	(20,681)	(20,758)
OTHER EXPENSES	(4,248)	(7,585)
OTHER INCOME	8,993	11,664
FINANCE COST	(1,980)	(971)
PROFIT BEFORE TAXATION & LEVY	58,492	97,464
LEVY	-	(392)
PROFIT BEFORE TAXATION	58,492	97,072
TAXATION	873	(33,385)
PROFIT AFTER TAXATION	59,365	63,687
EARNING PER SHARE - BASIC AND DILUTED (RUPEES)	4.51	4.83

During the half-year under review, the Company recorded revenue of Rupees 1,217.788 million, reflecting an increase from Rupees 914.395 million in the corresponding period of the previous year. Despite this growth, the profit after taxation stood at Rupees 59.365 million, compared to Rupees 63.687 million in the same period last year. The earnings per share (EPS) for the current period is Rupees 4.51, compared to Rupees 4.83 for the corresponding period of the previous year.

Industry Overview:

The spinning industry serves as a cornerstone of Pakistan's textile sector, playing a pivotal role in the nation's economic development. However, recent challenges have significantly impacted its performance, particularly in international markets. The spinning industry in Pakistan is confronting a multifaceted crisis, with environmental challenges, economic pressures, and policy disparities converge to threaten its sustainability and contribution to the national economy.

Future Prospects:

The spinning industry is currently navigating a complex landscape marked by economic challenges and operational hurdles. A strategic and unified approach focused on operational excellence, market diversification, and policy advocacy is essential to navigate the current crisis and pave the way for a resilient future. Despite these adversities, there is cautious optimism that the industry can recover its momentum through concerted efforts to stabilize the political and economic environment. The management of your Company is steadfast in its commitment to maintaining its current market share and is actively exploring avenues to penetrate new markets. In response to the prevailing economic pressures, we are implementing measures to reduce operating costs without compromising the quality of our products and services. The Board of Directors is acutely aware of the challenges at hand and is diligently working to enhance production efficiency and output.

Composition of the Board:

The total number of directors are seven as per the following:

- Male: **06**
- Female: **01**



The composition of board is as follows:

- a) Independent Directors: **02**
- b) Non-executive Directors: **03**
- c) Executive Directors: **02**

Committees of the Board:**Audit Committee:**

Sr. #	Name of Directors	
1-	Mr. Zahid Ali	Chairman/Member
2-	Miss Areej Tariq	Member
3-	Mr. Muhammad Ashraf	Member

Human Resource & Remuneration (HR&R) Committee:

Sr. #	Name of Directors	
1-	Mr. Qasim Ali	Chairman/Member
2-	Mr. Qaiser Nasir	Member
3-	Mr. Muhammad Iqbal	Member

Nomination Committee:

Sr. #	Name of Directors	
1-	Mr. Muhammad Ashraf	Chairman/Member
2-	Mr. Zahid Ali	Member
3-	Mr. Qasim Ali	Member

Risk Management Committee

Sr. #	Name of Directors	
1-	Mr. Muhammad Iqbal	Chairman/Member
2-	Mr. Muhammad Ashraf	Member
3-	Mr. Zahid Ali	Member

Sustainability Committee:

Sr. #	Name of Directors	
1-	Mr. Qasim Ali	Chairman/Member
2-	Mr. Qaiser Nasir	Member
3-	Mr. Muhammad Iqbal	Member

Director's Remuneration

The Company does not pay any remuneration to its Non-Executive Directors including independent Directors except meeting fee. Aggregate amount of remuneration paid to directors have been disclosed in Note 7 of the annexed financial statements.

Acknowledgment

We take this opportunity to sincerely appreciate the dedication and hard work of our employees, whose commitment remains integral to the Company's success. We also extend our gratitude to our valued shareholders and lenders for their continued trust and support.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**Director****Chief Executive Officer**

Faisalabad:
February 27, 2025

ڈائریکٹرز کا جائزہ

کئی کے ڈائریکٹرز انتہائی مسرت کے ساتھ 31 دسمبر 2024 کو اختتام پذیر ہونے والی ششماہی کے غیر آڈٹ شدہ مالیاتی نتائج آپ کی خدمت میں پیش کر رہے ہیں۔

مالیاتی کارکردگی:

31 دسمبر 2024 کو اختتام پذیر ہونے والی ششماہی کے مالیاتی نتائج درج ذیل ہیں۔

اختتام پذیر ششماہی

31 دسمبر 2023	31 دسمبر 2024
روپے ہزاروں میں	
914,395	1,217,788
(797,155)	(1,137,367)
117,240	80,421
(2,126)	(4,013)
(20,758)	(20,681)
(7,585)	(4,248)
11,664	8,993
(971)	(1,980)
97,464	58,492
(392)	-
97,072	58,492
(33,385)	873
63,687	59,365
4.83	4.51

آمدن
لاگت آمدن
مجموعی نفع
فروخت و تقسیم کے اخراجات
انتظامی اخراجات
دیگر اخراجات
دیگر آمدن
مالی لاگت
قبل از ٹیکس منافع
محصول (بیوی)
قبل از ٹیکس نفع
ٹیکس
بعد از ٹیکس منافع
فی شخص منافع (روپوں میں)

مالیاتی نتائج:

زیر جائزہ ششماہی کے دوران کئی نے 1,217,788 ملین روپے کی آمدنی ریکارڈ کی جو کہ پچھلے سال کی اسی مدت میں 914,395 ملین روپے سے زیادہ کیونکہ اسی کرتی ہے۔ اس نمبر کے باوجود کئی کا مجموعی نفع 59,365 ملین روپے بعد از ٹیکس ہے جبکہ پچھلی اسی ششماہی میں مجموعی نفع 63,687 ملین روپے بعد از ٹیکس تھا۔ موجودہ مدت کے لیے فی شخص آمدنی 4.51 روپے ہے۔ جو پچھلے سال کی اسی مدت کے لیے 4.83 روپے تھی۔

انڈسٹری کا جائزہ:

سپننگ انڈسٹری پاکستان کے ٹیکسٹائل سیکٹر کی بنیاد کے طور پر کام کرتی ہے۔ جو ملک کی اقتصادی ترقی میں اہم کردار ادا کرتی ہے۔ تاہم حالیہ چیلنجوں نے خاص طور پر بین الاقوامی مارکیٹوں میں اس کی کارکردگی کو نمایاں طور پر متاثر کیا ہے۔ پاکستان میں سپننگ انڈسٹری کو تیز رفتاری سے بحران کا سامنا ہے۔ ماحولیاتی چیلنجز، معاشی دباؤ اور پالیسی میں عدم مساوات اس کی پائیداری اور قومی معیشت میں شراکت کو خطرے میں ڈال رہی ہے۔

مستقبل کے امکانات:

سپننگ انڈسٹری اس وقت اقتصادی اور عملی رکاوٹوں سے بھر پور ایک پیچیدہ منظر نامے سے گزر رہی ہے۔ موجودہ بحران سے ششٹے اور اچھے مستقبل کی راہ ہموار کرنے کے لیے آپریشنل بہترین کارکردگی، نئی مارکیٹ کی تلاش، بہترین معاشی پالیسی اور ایک متحدہ و عملی حکمت عملی کی ضرورت ہے۔ تاہم ان رکاوٹوں کے باوجود ہمیں امید ہے کہ سیاسی اور معاشی استحکام کی بحالی کے بعد انڈسٹری دوبارہ اپنی رفتار حاصل کر سکتی ہے۔ ہماری کئی کی انتظامیہ موثر مارکیٹنگ حکمت عملیوں کے ذریعے ہمارے موجودہ مارکیٹ شیئر کو محفوظ رکھنے کے لیے پرعزم ہے۔ ہم پروڈکٹ اور سروس کے معیار پر کھینچو کیے گئے بینک لاگت کو کم کرنے کے لیے پرعزم رہتے ہیں۔ کئی کے ڈائریکٹرز ہمارے پوری طرح باخبر ہیں اور پیرواداری سرگرمیوں میں زیادہ سے زیادہ پیروادار حاصل کرنے کے لیے تہمتی سے کام کر رہے ہیں۔

ہورڈ کی ساخت:

ڈائریکٹری کی کل تعداد سات ہے۔

صنعتی لگا ہے:

06

مرد:

01

خواتین:

ڈائریکٹری کی ترتیب:

02

آزاد ڈائریکٹرز:

03

غیر ایگزیکٹو ڈائریکٹرز:

02

ایگزیکٹو ڈائریکٹرز:

ہورڈ کی کمیٹیاں:

ہورڈ کی کمیٹیوں کی ترتیب درج ذیل ہے۔

آڈٹ کمیٹی:

چیئرمین / ممبر

جناب زاہد علی

ممبر

مس ارتضیٰ طارق

ممبر

جناب محمد شرف

انسانی وسائل اور معاوضہ کمیٹی:

چیئرمین / ممبر

جناب قاسمی

ممبر

جناب قیصر ناصر

ممبر

جناب محمد اقبال

نمائندگی کی کمیٹی:

چیئرمین / ممبر

جناب محمد شرف

ممبر

جناب زاہد علی

ممبر

جناب قاسمی

رسک مینجمنٹ کمیٹی:

چیئرمین / ممبر

جناب محمد اقبال

ممبر

جناب محمد شرف

ممبر

جناب زاہد علی

اسٹیکم کمیٹی:

چیئرمین / ممبر

جناب قاسمی

ممبر

جناب قیصر ناصر

ممبر

جناب محمد اقبال

ڈائریکٹرز کا معاوضہ:

کمیٹی اپنے ان ایگزیکٹو ڈائریکٹرز سے آزاد ڈائریکٹرز کو اجلاس نہیں کے علاوہ معاوضہ ادا نہیں کرتی۔ ڈائریکٹرز کو ادا کئے گئے معاوضہ کی مجموعی رقم منسلک مالی سہاات کے نوٹ نمبر 07 میں دیکھی جاسکتی ہے۔

اعتراف:

ہم اس موقع پر کمیٹی کے لازمین کی محنت اور عزم کے لیے ان کی تعریف کرتا جا رہے ہیں۔ جن کا عزم کمیٹی کی کامیابی کے لیے لازم و ملزوم ہے۔ ہم تامل قدر نشتر ہولڈر اور قرض دہندگان کا تعاون بڑھانے کے لیے ان کا بھی شکریہ ادا کرنا چاہیں گے۔

ہورڈ آف ڈائریکٹرز کی طرف سے:



ذیشان سعید

ڈائریکٹر



محمد اقبال

چیف ایگزیکٹو آفیسر

فیصل آباد

27 فروری 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Arctic Textile Mills Limited****Report on review of Condensed Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of ARCTIC TEXTILE MILLS LIMITED as at 31 December 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2024.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.

RIAZ AHMAD & COMPANY
Chartered Accountants**Faisalabad****Date: 27 February 2025****UDIN: RR202410158eZKGpIFbA**



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Un-audited 31 December 2024	Audited 30 June 2024
	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
17 000 000 (30 June 2024: 17 000 000) ordinary shares of Rupees 10 each	170,000	170,000
Issued, subscribed and paid up share capital		
13 174 800 (30 June 2024: 13 174 800) ordinary shares of Rupees 10 each fully paid in cash	131,748	131,748
Reserves		
Capital reserves		
Equity portion of former shareholders' loan	13,335	13,335
Surplus on revaluation of property, plant and equipment - net of deferred income tax	196,409	155,274
	209,744	168,609
Revenue reserve		
Unappropriated profit / (accumulated loss)	42,647	(33,016)
Total reserves	252,391	135,593
Total equity	384,139	267,341
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred income tax liability	47,300	58,434
Staff retirement gratuity	104,360	73,193
Long term security deposit	-	30,000
	151,660	161,627
CURRENT LIABILITIES		
Trade and other payables	398,589	293,640
Provision for taxation and levy payable - net	-	3,906
Current portion of long term security deposit	30,000	-
	428,589	297,546
TOTAL LIABILITIES	580,249	459,173
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	964,388	726,514
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	522,940	498,560
Long term deposits and prepayment	28,720	11,190
	551,660	509,750
CURRENT ASSETS		
Stores, spare parts and loose tools	174,349	79,721
Trade debts	124,001	66,486
Loans and advances	13,819	3,052
Advance income tax and prepaid levy - net	21,345	-
Short term deposits, prepayments and other receivables	46,309	43,665
Cash and bank balances	32,905	23,840
	412,728	216,764
TOTAL ASSETS	964,388	726,514

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	NOTE	Half year ended		Quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		(Rupees in thousand)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	6	1,217,788	914,395	746,439	458,520
COST OF SALES		(1,137,367)	(797,155)	(703,727)	(399,923)
GROSS PROFIT		80,421	117,240	42,712	58,597
DISTRIBUTION COST		(4,013)	(2,126)	(3,110)	(1,094)
ADMINISTRATIVE EXPENSES		(20,681)	(20,758)	(10,542)	(10,694)
OTHER EXPENSES		(4,248)	(7,585)	(2,128)	(4,585)
OTHER INCOME		8,993	11,664	8,993	7,978
FINANCE COST		(1,980)	(971)	(1,054)	(685)
PROFIT BEFORE TAXATION AND LEVY		58,492	97,464	34,871	49,517
LEVY		-	(392)	-	-
PROFIT BEFORE TAXATION		58,492	97,072	34,871	49,517
TAXATION		873	(33,385)	2,030	(18,497)
PROFIT AFTER TAXATION		59,365	63,687	36,901	31,020
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		4.51	4.83	2.80	2.35

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Half year ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(Rupees in thousand)			
PROFIT AFTER TAXATION	59,365	63,687	36,901	31,020
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Surplus on revaluation of property, plant and equipment	62,995	-	62,995	-
Related deferred income tax liability	(8,966)	-	(8,966)	-
	54,029	-	54,029	-
Items that may be reclassified subsequently to profit or loss				
	-	-	-	-
Other comprehensive income for the period - net of tax	54,029	-	54,029	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	113,394	63,687	90,930	31,020

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	RESERVES					TOTAL	TOTAL EQUITY
	CAPITAL		REVENUE				
	SHARE CAPITAL	Equity portion of former shareholders' loan	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Sub total	(Accumulated loss) / unappropriated profit		
Balance as at 30 June 2023 - (Audited)	131,748	13,335	173,500	186,835	(165,512)	21,323	153,071
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(7,015)	(7,015)	7,015	-	-
Adjustment of deferred income tax liability due to remeasurement at period end	-	-	(268)	(268)	-	(268)	(268)
Profit for the period	-	-	-	-	63,687	63,687	63,687
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	63,687	63,687	63,687
Balance as at 31 December 2023 - (Un-audited)	131,748	13,335	166,217	179,552	(94,810)	84,742	216,490
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(6,478)	(6,478)	6,478	-	-
Adjustment of deferred income tax liability due to remeasurement at period end	-	-	(4,465)	(4,465)	-	(4,465)	(4,465)
Profit for the period	-	-	-	-	55,759	55,759	55,759
Other comprehensive loss for the period	-	-	-	-	(443)	(443)	(443)
Total comprehensive income for the period	-	-	-	-	55,316	55,316	55,316
Balance as at 30 June 2024 - (Audited)	131,748	13,335	155,274	168,609	(33,016)	135,593	267,341
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(6,284)	(6,284)	6,284	-	-
Transfer from surplus on disposal of property, plant and equipment - net of deferred income tax	-	-	(10,014)	(10,014)	10,014	-	-
Adjustment of deferred income tax liability due to remeasurement at period end	-	-	3,404	3,404	-	3,404	3,404
Profit for the period	-	-	-	-	59,365	59,365	59,365
Other comprehensive income for the period	-	-	54,029	54,029	-	54,029	54,029
Total comprehensive income for the period	-	-	54,029	54,029	59,365	113,394	113,394
Balance as at 31 December 2024 - (Un-audited)	131,748	13,335	196,409	209,744	42,647	252,391	384,139

(Rupees in thousand)

Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax
Adjustment of deferred income tax liability due to remeasurement at period end
Profit for the period
Other comprehensive income for the period
Total comprehensive income for the period

Balance as at 31 December 2023 - (Un-audited)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax
Adjustment of deferred income tax liability due to remeasurement at period end
Profit for the period
Other comprehensive loss for the period
Total comprehensive income for the period

Balance as at 30 June 2024 - (Audited)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax
Transfer from surplus on disposal of property, plant and equipment - net of deferred income tax
Adjustment of deferred income tax liability due to remeasurement at period end
Profit for the period
Other comprehensive income for the period
Total comprehensive income for the period

Balance as at 31 December 2024 - (Un-audited)
The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Half year ended	
	31 December 2024	31 December 2023
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and levy	58,492	97,464
Adjustments for non-cash charges and other items:		
Depreciation	22,693	17,769
Recovery against allowance for expected credit losses	-	(5,683)
Gain on sale of property, plant and equipment	(8,515)	-
Provision for staff retirement gratuity	19,563	14,585
Finance cost	1,980	971
	94,213	125,106
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(94,628)	(20,233)
Trade debts	(57,515)	(26,356)
Loans and advances	(10,767)	723
Short term deposits, prepayments and other receivables	(2,644)	(12,932)
	(165,554)	(58,798)
Increase / (decrease) in trade and other payables	123,903	(12,125)
Cash generated from operations	52,562	54,183
Finance cost paid	(1,404)	(362)
Income tax and levy paid	(41,074)	(33,240)
Staff retirement gratuity paid	(7,926)	(4,348)
Net increase in long term deposits and prepayment	(17,530)	(207)
Net cash (used in) / generated from operating activities	(15,372)	16,026
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	-	(9,234)
Proceeds from sale of property, plant and equipment	24,437	2,400
Net cash from / (used in) investing activities	24,437	(6,834)
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,065	9,192
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	23,840	6,569
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	32,905	15,761

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2024****1. THE COMPANY AND ITS OPERATIONS**

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. Registered office of the Company has been changed from 133-134, Regency the Mall, Faisalabad to P-102, Jail Road, Faisalabad on 12 November 2024. The Company manufactures and deals in all types of yarn 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.

- 1.1 The Company in its annual general meeting held on 26 October 2024 resolved through special resolution to increase the authorized share capital of the Company from Rupees 170 million to Rupees 300 million. However legal formalities for the application of this resolution are under process.

2. BASIS OF PREPARATION AND STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION**2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2024.

2.3 Statement of material accounting policy information

The material accounting policy information applied in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2024.

2.4 Critical accounting estimates and judgments

In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the annual financial statements of the Company for the year ended 30 June 2024.

2.5 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 30 June 2024.

	Un-audited	Audited
	31 December	30 June
	2024	2024
	(Rupees in thousand)	

3. TRADE AND OTHER PAYABLES

Creditors	93,725	70,468
Contract liabilities - unsecured	3,324	-
Gas Infrastructure Development Cess (GIDC) payable	11,348	11,348
Accrued liabilities	239,517	167,525
Income tax deducted at source	7,900	8,167
Sales tax payable	22,391	10,904
Workers' profit participation fund	6,130	12,057
Workers' welfare fund	14,254	13,171
	398,589	293,640



4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 20 million (2024: 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, against the recovery of demands having collective amount of Rupees 19,938 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 condensed interim financial statements as there are strong grounds of favorable outcome of the petitions.
- iii) The Company filed writ petition in Honorable Lahore High Court, Lahore on 16 October 2024, against the recovery of demand of Rupees 3,566 million on increased rate of minimum wages raised by Punjab Employees Social Security Institution (PESSI). However as per the management of the Company, there are strong grounds of favorable outcome of the petition, therefore the related provision is not made in these condensed interim financial statements.

b) Commitments

There was no commitment as at 31 December 2024 (30 June 2024: Rupees Nil).

Un-audited	Audited
31 December	30 June
2024	2024
(Rupees in thousand)	

5. PROPERTY, PLANT AND EQUIPMENT

Opening book value	498,560	394,782
Add:		
Cost of additions during the period / year (Note 5.1)	-	142,484
Effect of surplus on revaluation during the period / year	62,995	-
	561,555	537,266
Less: Book value of deletions during the period / year (Note 5.2)	(15,922)	(3,210)
	545,633	534,056
Less: Depreciation charged during the period / year	(22,693)	(35,496)
	522,940	498,560

5.1 Cost of additions during the period / year

Buildings on freehold land	-	2,235
Plant and machinery	-	120,136
Electric installations	-	785
Vehicles	-	5,208
Furniture and fixtures	-	124
Office equipment	-	537
Power house	-	13,314
Factory equipment	-	145
	-	142,484

5.2 Book value of deletions during the period / year

Plant and machinery	15,922	-
Vehicles	-	3,210
	15,922	3,210

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

Whole of the revenue is earned from Pakistan and represents conversion and doubling income.

**7. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of associate, directors and key management personnel. The Company in the normal course of business carries out transactions with various parties. Detail of transactions and balances with related parties are as follows:

(Un-audited)			
Half year ended		Quarter ended	
31 December 2024	31 December 2023	31 December 2024	31 December 2023

(Rupees in thousand)

i) Transactions**Associate**

Purchase of goods and other services	162,073	60,017	147,073	15,000
Revenue from conversion and doubling of yarn	1,121,019	867,454	670,190	434,606
Transfer of staff retirement benefit	55,576	-	55,576	-

Key management personnel

Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	17,012	15,102	9,499	7,778
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Un-audited 31 December 2024	Audited 30 June 2024
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(Rupees in thousand)

ii) Period end balances**Associate**

Trade debts	-	27,458
Security deposit	30,000	30,000
Trade and other payables	20,987	-

8. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 27 February 2025 by the Board of Directors of the Company.

9. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged for better presentation, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made in these condensed interim financial statements except for Rupees 0.268 million which is included in taxation instead of netting off from accumulated loss.

10. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

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