ARCTIC

ARCTIC TEXTILE MILLS LIMITED

www.arctictextile.com

ANNUAL REPORT 2025

CONTENTS

COMPANY INFORMATION

Board of Directors	Mr. Muhammad Ashraf	Chairman
	Mr. Muhammad Iqbal	Chief Executive Officer
	Mr. Zeeshan Saeed	Director
	Mr. Zahid Ali	Director (Independent)
	Mr. Qasim Ali	Director (Independent)
	Miss. Areej Tariq	Director (Nominee BIPL)
	Mr. Qaiser Nasir	Director (Nominee BIPL)
Audit Committee	Mr. Zahid Ali	Chairman
	Miss. Areej Tariq	Member
	Mr. Muhammad Ashraf	Member
HR and Remuneration Committee	Mr. Qasim Ali	Chairman
	Mr. Qaiser Nasir	Member
	Mr. Muhammad Iqbal	Member
Nomination Committee	Mr. Muhammad Ashraf	Chairman
	Mr. Zahid Ali	Member
	Mr. Qasim Ali	Member
Risk Management Committee	Mr. Muhammad Iqbal	Chairman
	Mr. Muhammad Ashraf	Member
	Mr. Zahid Ali	Member
Sustainability Committee	Mr. Qasim Ali	Chairman
	Mr. Qaiser Nasir	Member
	Mr. Muhammad Iqbal	Member

Company Secretary
Mr. Ali Mudassar

Chief Financial Officer
Mr. Muhammad Daniyal

Auditors
Riaz Ahmad and Company (Chartered Accountants)
FS Tower, Out Side Al – Fateh Garden
East Canal Road, Faisalabad.

Banks
The Bank of Punjab
Habib Metropolitan Bank Limited
MCB Bank Limited
Bank Alfalah 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, Sheikhupura 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 of Directors, comprising seasoned professionals from diverse industries, has remained deeply engaged in guiding the Company's strategic direction. With integrity, foresight, and resilience as our cornerstones, we continue to strengthen governance practices fully aligned with applicable laws and the highest standards of corporate responsibility.

During the year under review, your Company delivered a profit after taxation of PKR 102.519 million, demonstrating resilience despite a challenging macroeconomic and industry environment. The spinning sector, which forms the backbone of Pakistan's textile industry, faced significant headwinds from volatile energy prices, high financing costs, and global demand pressures. Nonetheless, through prudent cost management, operational efficiencies, and commitment to modernization, the Company was able to sustain profitability and preserve shareholder value.

The Board has remained vigilant in ensuring rigorous oversight of financial performance, risk management, and compliance frameworks. Regular engagement with management and auditors has enabled timely reviews of strategies, budgets, and policies. Our commitment extends beyond financial performance. We continue to uphold ethical standards, protect the environment, foster workplace safety, and advance diversity and inclusion. These priorities reflect our long-term vision of sustainable and responsible growth.

Looking ahead, we recognize that the textile industry requires stability in energy policies, predictable taxation, and stronger institutional support to regain international competitiveness. The Board is committed to steering the Company through these external challenges while pursuing new opportunities through innovation, efficiency, and market diversification. We firmly believe that with our robust fundamentals and prudent governance, the Company is well-positioned to deliver enduring value to all stakeholders.

In conclusion, on behalf of the Board, I express deep gratitude to our shareholders, employees, customers, and business partners for their trust and unwavering support. Together, we shall continue to embrace innovation, uphold resilience, and lead the Company toward a future defined by excellence and sustainable growth.

Chairman

Faisalabad:
September 29, 2025

DIRECTOR'S REPORT TO THE MEMBERS

We, on behalf of the Board of Directors, are pleased to present the 40th Annual Directors' Report of the Company, together with the audited financial statements for the year ended June 30, 2025, the Auditors' Report thereon, and all other information required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies Act, 2017.

FINANCIAL RESULTS

	2025	2024
	(RUPEES IN THOUSAND)	
REVENUE FROM CONTRACTS WITH CUSTOMERS	2,732,954	1,809,851
COST OF SALES	(2,532,591)	(1,580,962)
GROSS PROFIT	200,363	228,889
DISTRIBUTION COST	(5,939)	(4,160)
ADMINISTRATIVE EXPENSES	(42,390)	(39,793)
OTHER EXPENSES	(12,180)	(13,915)
OTHER INCOME	8,880	13,169
FINANCE COST	(2,187)	(1,063)
PROFIT BEFORE TAXATION AND LEVY	146,547	183,127
LEVY	-	(392)
PROFIT BEFORE TAXATION	146,547	182,735
TAXATION	(44,028)	(63,289)
PROFIT AFTER TAXATION	102,519	119,446
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	7.78	9.07

FINANCIAL HIGHLIGHTS

The Company earned a profit after taxation of Rupees 102.519 million during the financial year ended June 30, 2025, as compared with previous year's profit after taxation of Rupees 119.446 million due to the challenging economic environment. Nevertheless, the Company continued to demonstrate resilience by maintaining operational efficiencies. The Board remains confident that with its strong fundamentals and prudent strategies, the Company is well-positioned to navigate prevailing challenges and capitalize on future opportunities.

The spinning sector remains the backbone of Pakistan's textile industry and a key pillar for national economic growth. However, during the year under review, the industry encountered acute pressures. Despite efforts towards modernization and diversification, the sector has struggled to recover its earlier momentum. For sustainable recovery and to preserve its share in international trade, the textile industry urgently needs stable energy policies, streamlined taxation, and more reliable institutional support. To recover and remain competitive, the textile sector requires well-crafted strategic initiatives and stronger support.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to maintaining safe and secure working conditions while minimizing risks to the health and well-being of both employees and the public. In line with this commitment, the Company strictly follows established safety protocols and social guidelines. Regular awareness sessions and safety drills are conducted to keep employees informed, prepared, and compliant with the latest health and safety standards.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company strengthened its commitment to corporate social responsibility by advancing environmental sustainability through tree plantation drives and the adoption of energy-efficient practices. Employee health remained a priority, with vaccination programs and strict compliance with safety protocols. The Company also contributed to community welfare by supporting education and disaster relief initiatives. At the same time, we upheld the highest standards of ethical business conduct while fostering a diverse and inclusive workplace culture.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Company remains committed to Environmental, Social, and Governance (ESG) principles by promoting energy efficiency, employee welfare, community engagement, and strong governance practices. These initiatives support sustainable growth and enhance long-term stakeholder confidence.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

The Company is committed to following best practices that support sustainability and corporate responsibility, including the promotion of a paperless environment, the conservation of energy, and the efficient use of resources to minimize environmental impact.

SUBSEQUENT EVENTS

No material changes and commitments have occurred between the close of the financial year and the date of this report which may affect the financial position of the Company.

FINANCIAL RISK MANAGEMENT

The Company is exposed to certain financial risks, including market, credit, and liquidity risks. Its risk management framework, implemented under policies approved by the Board of Directors, is designed to mitigate the unpredictability of financial markets and minimize any potential adverse impact on performance. The Board provides guiding principles for overall risk management, with specific policies addressing currency, price, interest rate, credit, and liquidity exposures.

FUTURE OUTLOOK

The Directors of the Company possess a deep understanding of its operations and remain committed to improving overall performance. Their efforts are centered on implementing strict cost control measures and curtailing internal expenses to strengthen profitability. During the year, the Company pursued well-structured strategies to generate earnings and build sustainable growth. The Company remains focused on mitigating risks through prudent management and efficiency measures.

FUTURE DEVELOPMENT, PERFORMANCE AND GROWTH DRIVERS

The future performance and position of the Company is expected to be influenced by market demand dynamics, raw material and energy costs, currency fluctuations, and sustainability requirements, while opportunities in diversification and value-added products remain key drivers for growth.

DIVIDEND

The Board has not recommended any dividend for the year, as accumulated losses have recently been turned into profits and available funds are being utilized for balancing, modernization, and replacement (BMR) of machinery to support sustainable growth.

EARNINGS PER SHARE

The basic and diluted earnings per share for the year ended June 30, 2025, was Rupees 7.78 (2024: Rupees 9.07)

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 2026.

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2025, 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 27 to the financial statements.

COMPOSITION OF THE BOARD

The Board of Directors as of June 30, 2025 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. Zahid Ali
ii. Mr. Qasim Ali

b) Other Non-executive Directors: **03** as named hereunder:

i. Mr. Muhammad Ashraf
ii. Miss Areej Tariq
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. Qaiser Nasir	5
Mr. Zahid Ali	3
Mr. Qasim Ali	3
Miss Areej Tariq	3
Mr. Amman Adil	2
Mr. Usman Mehmood	1
Mrs. Saira Affan	1

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. Zahid Ali	2
Miss Areej Tariq	2
Mr. Muhammad Ashraf	4
Mr. Usman Mehmood	2
Mr. Amman Adil	2

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

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. Qasim Ali	1
Mr. Zahid Ali	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

SUSTAINABILITY COMMITTEE

One meeting of the Sustainability committee was held during the year, with the following attendance:

Name of Directors	Number of meetings attended
Mr. Qasim Ali	1
Mr. Qaiser Nasir	1
Mr. Muhammad Iqbal	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 a robust system of internal and financial controls designed to ensure:

a) Effective and efficient conduct of operations;

b) Safeguarding of the Company's assets;

c) Compliance with applicable Laws and Regulation; and

d) Reliable Financial Reporting

The Company's internal audit function regularly evaluates and monitors the implementation of Standard Operating Procedures and related financial controls. Internal audit reports are submitted to the Audit Committee in accordance with the approved audit plan, enabling the Committee to review the effectiveness of the internal control framework and the accuracy of financial reporting during its meetings.

ANNUAL BOARD PERFORMANCE EVALUATION

The Board considers performance assessment to be an essential component of good governance, providing valuable feedback on its effectiveness in discharging roles and responsibilities. For this purpose, the Board has developed in-house questionnaires, aligned with emerging best practices, to evaluate the performance of the Board as a whole, its committees, and individual members. A summarized report of the assessment is presented by the Company Secretary for the Board's annual discussion and review.

The Board places on record its sincere appreciation for the valuable contributions of the outgoing Directors toward the growth and progress of the Company. At the same time, the Board warmly welcomes the newly appointed Directors and looks forward to their guidance and support in driving the Company toward continued success.

ACKNOWLEDGMENT

The Board wishes to express its sincere appreciation to the employees of the Company for their dedication and commitment, which have been instrumental to its progress. We also extend our gratitude to our valued shareholders and lenders for their continued trust, support, and cooperation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Faisalabad:
September 29, 2025

Director

Chief Executive Officer

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

ہم بورڈ آف ڈائریکٹرز کی جانب سے، کمپنی کی 40ویں سالانہ ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ جو 30 جون 2025 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں، اس پر آڈیٹرز کی رپورٹ، اور تمام دیگر معلومات پر مشتمل ہے۔ جو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنیز ایکٹ 2017 کے تحت درکار ہیں۔

مالی نتائج:

	2025 روپے ہزاروں میں	2024 روپے ہزاروں میں
کنٹریکٹرز کے ساتھ معاہدوں سے حاصل ہونے والی آمد	2,732,954	1,809,851
لاگت آمدن	(2,532,591)	(1,580,962)
مجموعی نفع	200,363	228,889
فروخت و تقسیم کے اخراجات	(5,939)	(4,160)
انتظامی اخراجات	(42,390)	(39,793)
دیگر اخراجات	(12,180)	(13,915)
دیگر آمدن	8,880	13,169
مالی لاگت	(2,187)	(1,063)
قبل از ٹیکس نفع اور محصول (لیوی)	146,547	183,127
محصول (لیوی)	-	(392)
قبل از ٹیکس نفع	146,547	182,735
ٹیکس	(44,028)	(63,289)
بعد از ٹیکس نفع	102,519	119,446
فی حصص نفع (روپوں میں)	7.78	9.07

مالیتی جائزہ:

کمپنی نے 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران بعد از ٹیکس 102.519 ملین روپے کا منافع کمایا، جب کہ پچھلے سال کا منافع بعد از ٹیکس 119.446 ملین روپے تھا۔ جس کی بنیادی وجہ مشکل معاشی حالات رہے۔ اس کے باوجود، کمپنی نے اپنی آپریشنل استعداد کار کو برقرار رکھتے ہوئے مضبوطی کا مظاہرہ جاری رکھا۔ بورڈ کو یقین ہے کہ اپنے مضبوط بنیادی اصولوں اور دانشمندانہ حکمت عملیوں کے ساتھ موجودہ درپیش کمپنی مسائل کو حل کرنے اور مستقبل کے مواقع سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے۔

اسپننگ انڈسٹری پاکستان کی ٹیکسٹائل انڈسٹری میں ریڑھ کی ہڈی کی حیثیت رکھتی ہے۔ اور قومی اقتصادی ترقی کا ایک اہم ستون ہے۔ تاہم، زیر جائزہ سال کے دوران، صنعت کو شدید دباؤ کا سامنا کرنا پڑا۔ جدید کاری اور توسیع کی کوششوں کے باوجود، یہ شعبہ اپنی سابقہ رفتار کو بحال کرنے کے لیے جدوجہد کر رہا ہے، پائیدار بحالی اور بین الاقوامی تجارت میں اپنے حصے کو برقرار رکھنے کے لیے ٹیکسٹائل کی صنعت کو فوری طور پر مستحکم توانائی کی پالیسیوں، ہموار ٹیکس اور زیادہ قابل اعتماد ادارہ جاتی مدد کی ضرورت ہے۔ اور اس کو بحال کرنے کے لیے، اور مسابقتی رہنے کے لیے ٹیکسٹائل سیکٹر کو اچھی طرح سے تیار کردہ جامع حکمت عملیوں اور مضبوط تعاون کی ضرورت ہے۔

صحت، سلامتی اور ماحول:

کمپنی 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 کمپنی سماجی فاصلاتی پروٹوکول کی سختی سے پیروی کرتی ہے۔ واضح ہدایات جاری کی جاتی ہیں۔ آگاہی سیشن ہوتے ہیں تاکہ کمپنی کے کاروباری معاملات احسن طریقے سے چلتے رہیں۔ ملازمین کو باخبر، تیار اور جدید صحت و سلامتی کے معیارات سے ہم آہنگ رکھنے کے لیے باقاعدہ آگاہی سیشنز اور حفاظتی مشقیں منعقد کی جاتی ہیں۔

کاروباری سماجی ذمہ داری (سی ایس آر):

کمپنی نے کارپوریٹ معاشرتی ذمہ داری کے اپنے عزم کو مزید مضبوط کرتے ہوئے ماحولیاتی پائیداری کو فروغ دیا۔ جس کے لیے شجرکاری مہارت اور توانائی کے موثر استعمال کی عملی تدابیر اپنائی گئی، ملازمین کی صحت کو اولین ترجیح دی گئی۔ جس کے تحت ویکسینیشن پروگرامز اور حفاظتی اصولوں پر سختی سے عمل درآمد کیا گیا۔ کمپنی نے تعلیم اور آفات سے بچاؤ کی فلاحی سرگرمیوں میں تعاون کرتے ہوئے کمیونٹی کی بھلائی میں اپنا کردار ادا کیا، ساتھ ہی، ہم نے اعلیٰ ترین اخلاقی کاروباری معیار کو برقرار رکھتے ہوئے ایک متنوع اور جامع کام کی ثقافت کو فروغ دیا۔

ماحولیاتی، سماجی اور گورننس (ای ایس جی):

کمپنی توانائی کی کارکردگی، ملازمین کی فلاح بہبود، کمیونٹی کی شمولیت اور مضبوط حکمرانی کے طریقوں کو فروغ دے کر ماحولیاتی، سماجی، اور گورننس (ESG) اصولوں کے لیے پرعزم ہے۔ یہ اقدامات پائیدار ترقی کی حمایت کرتے ہیں اور طویل مدتی اسٹیک ہولڈر کے اعتماد کو بڑھاتے ہیں۔

ماحولیات پر کمپنی کے کاروبار کا اثر:

کمپنی پائیداری اور کارپوریٹ ذمہ داری کو فروغ دینے والی بہترین روایات پر عمل کرنے کے لیے پرعزم ہے۔ جن میں پیپر لیس ماحول کا فروغ، توانائی کا تحفظ اور وسائل کے موثر استعمال شامل ہیں۔ تاکہ ماحولیاتی اثرات کو کم سے کم کیا جا سکے۔

اہم تبدیلیاں:

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

مالی رسک مینجمنٹ:

کمپنی کو بعض مالی خطرات کا سامنا ہے۔ بشمول مارکیٹ، کریڈٹ، اور لیکویڈیٹی کے خطرات۔ اس کا رسک مینجمنٹ فریم ورک، جو بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ پالیسیوں کے تحت کام کرتا ہے مالیاتی منڈیوں کی غیر متوقع صلاحیت کو کم کرنے اور کارکردگی پر کسی بھی ممکنہ منفی اثرات کو کم کرنے کے لیے ڈیزائن کیا گیا ہے۔ بورڈ کرنسی، قیمت، شرح سود، کریڈٹ، اور لیکویڈیٹی ایکسپوژرز سے متعلق مخصوص پالیسیوں کے ساتھ مجموعی رسک مینجمنٹ کے لیے رہنما اصول فراہم کرتا ہے۔

مستقبل کے امکانات:

کمپنی کے ڈائریکٹرز اس کے کاموں پر گہری نظر رکھتے ہیں۔ اور مجموعی کارکردگی کو بہتر بنانے کے لیے پرعزم ہیں۔ ان کی کوششیں سے لاگت کو کنٹرول کرنے اور سخت اقدامات کو نافذ کرنے اور منافع کو بہتر بنانے کے لیے اور اخراجات کو کم کرنے پر مرکوز رکھا ہے۔ سال کے دوران، کمپنی نے آمدنی بڑھانے اور کمپنی کی پائیدار ترقی کے لیے اچھی طرح سے منظم حکمت عملیوں پر عمل کیا۔ کمپنی محتاط انتظام اور کارکردگی کے اقدامات کے ذریعے خطرات کو کم کرنے پر توجہ مرکوز کر رہی ہے۔

مستقبل کی ترقی، کارکردگی اور ترقی کے محرکات:

توقع کی جاتی ہے، کہ کمپنی کی مستقبل کی کارکردگی اور پوزیشن مارکیٹ کی طلب کی حرکیات، خام مال اور توانائی کے اخراجات، کرنسی کے اتار چڑھاؤ، اور پائیداری کی ضروریات سے متاثر ہوگی، جبکہ تنوع اور ویلیو ایڈڈ مصنوعات کے مواقع ترقی کے لیے کلیدی محرک ہیں۔

منافع ادا کیا:

بورڈ نے سال کے لیے کسی بھی منافع کی سفارش نہ کی ہے۔ کیونکہ جمع شدہ نقصانات کو حال ہی میں منافع میں تبدیل کر دیا گیا ہے اور دستیاب فنڈز کو ترقی کی حمایت کے لیے مشینری کے توازن، جدت کاری کے لیے استعمال کیا جا رہا ہے۔

فی حصص منافع:

مالی سال 30 جون 2025 میں فی حصص منافع 7.78 روپے تھا۔ (2024: 9.07 روپے)

کلیدی آپریٹنگ اور مالی اعداد و شمار:

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

بیرونی آڈیٹرز:

موجودہ آڈیٹرز 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 آڈٹ کمیٹی نے ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو دوبارہ اگلے مالی سال 30 جون 2026 کیلئے تقرری کی سفارش کی ہے

شیئر ہولڈرز کی ترتیب

30 جون 2025 کی شیئر ہولڈر کی ترتیب لف ہے۔

کوڈ آف کارپوریٹ گورننس

کوڈ آف کارپوریٹ گورننس کا بیانیہ کوڈ آف کارپوریٹ گورننس قواعد و ضوابط 2019 کے تحت لف ہے

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کا بیانیہ:

a- کمپنی کی انتظامیہ کی طرف سے تیار کیے جانے والی مالیاتی سٹیٹمینٹس منصفانہ طور پر کمپنی کے امور، اپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلی بیان کرتے ہیں۔

b- کمپنی کے اکاؤنٹس کی بکس کی معقول دیکھ بھال کی گئی ہے۔

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

d- بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جو پاکستان میں بھی لاگو ہیں ان کی تمام فنانشل اسٹیٹمینٹس میں مکمل پیروی کی گئی ہے۔

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

f- کمپنی کے جاری رہنے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔

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

h- کمپنی کے پاس ایک پالیسی ہے۔جس میں ڈائریکٹرز کے معاوضے کو درست کرنے کے شفاف طریقہ 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) کی معاوضے سے متعلق معلومات کے لئے براہ کرم مالی بیانات پر نوٹ 27 دیکھیں۔

بورڈ کی ترتیب:

30 جون 2025 تک ان افراد کے نام جو کے مالی سال کے دوران بورڈ آف ڈائریکٹرز تھے۔

صنفی تنوع کے مطابق ڈائریکٹرز کی تعداد یہ ہے:

مرد: 06

خواتین: 01

آزاد ڈائریکٹرز دو ہیں جن کے نام درج ذیل ہیں:

جناب زاہد علی

جناب قاسم علی

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

جناب محمد اشرف

مس اریج طارق

جناب قیصر ناصر

ایگزیکٹو ڈائریکٹرز دو ہیں جن کے نام درج ذیل ہیں:

جناب محمد اقبال چیف ایگزیکٹو آفیسر

جناب ذیشان سعید ڈائریکٹر

بورڈ آف ڈائریکٹرز کے اجلاس: زیر جائزہ مالی سال کے دوران ملاقات کی۔جس کی تفصیلات درج ذیل ہے۔

ڈائریکٹرز کے نام	حاضری
جناب محمد اشرف	05
جناب محمد اقبال	05
جناب ذیشان سعید	05
جناب قیصر ناصر	05
جناب زاہد علی	03
جناب قاسم علی	03
مس اریج طارق	03
جناب محمد امان عادل	02
جناب عثمان محمود	01
مسز سائرہ عفان	01

آڈٹ کمیٹی کے اجلاس: زیر جائزہ مالی سال کے دوران چار ملاقات کی۔ جس کی تفصیلات درج ذیل ہے۔

ڈائریکٹرز کے نام	حاضری
جناب زاہد علی	02
مس اریج طارق	02
جناب محمد اشرف	04
جناب عثمان محمود	02
جناب محمد امان عادل	02

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

ڈائریکٹرز کے نام	حاضری
مسز سائرہ عفان	01
جناب قیصر ناصر	01
جناب محمد اقبال	01

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

ڈائریکٹرز کے نام	حاضری
جناب محمد اشرف	01
جناب قاسم علی	01
جناب زاہد علی	01

رسک مینجمنٹ کمیٹی: 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

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

ڈائریکٹرز کے نام	حاضری
جناب قاسم علی	01
جناب قیصر ناصر	01
جناب محمد اقبال	01

ڈائریکٹر 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 میٹنگ فیس بورڈ آف ڈائریکٹرز کے ذریعہ طے اور منظوری دی جائے گی۔ مشاہرہ پیکج 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۔

داخلی اور مالیاتی اقدامات کا توازن:

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

a۔ عملی سرگرمیوں کا موثر اور کارآمد انعقاد

b- کمپنی کے اثاثوں کی حفاظت کرنا۔

c- قابل اطلاق قوانین اور ضابطے کی تعمیل۔

d- قابل اعتماد مالیاتی بیانیہ

کمپنی کا انٹرنل آڈٹ فنکشن باقاعدہ طور پر معیاری آپریٹنگ طریقہ کار اور اس سے متعلق مالیتی کنٹرول کے نفاذ 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 بیان کا جائزہ لیتی ہے۔

سالانہ بورڈ کی کارگردگی کا جائزہ :

بورڈ اپنی کارگردگی کی تشخیص کو گڈ گورنس 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 زمہ داریوں کو 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 سکریٹری سالانہ بورڈ پر بحث و مباحثے کے لئے خلاصہ رپورٹ پیش کرتا ہے۔

بورڈ سبکدوش ہونے والے ڈائریکٹرز کی قیمتی خدمات کو کمپنی کی ترقی اور پیشرفت کے لیے مخلصانہ طور پر سراہتا ہے۔ اس کے ساتھ بورڈ نئے مقرر ہونے والے ڈائریکٹرز کو خوش آمدید کہتا ہے۔ اور کمپنی کو مسلسل کامیابی کی جانب لے جانے میں انکی رہنمائی اور تعاون کا منتظر ہے۔

اعتراف:

ہم اس موقع سے فائدہ اٹھاتے ہوئے کمپنی کے مخلص ملازمین کا تہہ دل سے شکریہ ادا کرنا چاہتے ہیں، جن کی سخت محنت اور غیر متزلزل عزم اور ہمت نے اہم کردار ادا کیا ہے۔ مذید برآں ہم مالیاتی اداروں، شیئر ہولڈرز اور اپنے ملازمین کی لگن اور محنت کی قدر کی حمایت کے لیے دل سے شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے:

محمد اقبال	جناب ذیشان سعید	فیصل آباد
چیف ایگزیکٹو آفیسر	ڈائریکٹر	29 ستمبر 2025

KEY OPERATING & FINANCIAL DATA

	2025	2024	2023	2022	2021	2020
	(RUPEES IN THOUSAND)					
Summary of Statement of Profit or Loss						
Profit/(Loss) before taxation	146,547	183,127	144,325	115,212	77,476	20,897
Taxation and Levy	(44,028)	(63,681)	(41,950)	(31,648)	(44,264)	(3,000)
Profit/(Loss) after taxation	102,519	119,446	102,375	83,564	33,212	17,897
Summary of Statement of Financial Position						
Total assets	890,807	726,514	564,702	578,564	516,401	653,866
Long term financing / loans	-	-	-	-	19,841	42,195
Deferred liabilities	88,615	73,193	51,793	35,039	23,772	18,546
Deferred income tax liability	48,620	58,434	56,397	70,280	57,477	48,858
Long term security deposits	-	30,000	30,000	30,000	30,000	30,000
Current liabilities	325,330	297,546	273,441	392,635	497,325	660,782
Net assets	428,242	267,341	153,071	50,610	(112,014)	(146,515)
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	166,590	155,274	173,500	190,208	122,679	135,029
Accumulated loss - net off equity portion of shareholders' loan	116,569	(33,016)	(165,512)	(284,681)	(379,776)	(426,627)
	428,242	267,341	153,071	50,610	(112,014)	(146,515)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: **Arctic Textile Mills Limited**

Year Ending: **30 June 2025**

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
	Miss Areej Tariq
	Mr. Qaiser Nasir
Independent Directors	Mr. Zahid Ali
	Mr. Qasim Ali

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. Three newly appointed directors obtained certification of Directors' Training Program (DTP) during the year. Moreover, the Company has already provided training opportunities for its various heads of department in previous years. Further, the Company remains committed to ensure adequate training opportunities for the remaining heads of department in future.
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. Zahid Ali	(Chairman)
Miss Areej Tariq	(Member)
Mr. Muhammad Ashraf	(Member)

b) HR and Remuneration Committee

Mr. Qasim Ali	(Chairman)
Mr. Qaiser Nasir	(Member)
Mr. Muhammad Iqbal	(Member)

c) Nomination Committee

Mr. Muhammad Ashraf	(Chairman)
Mr. Zahid Ali	(Member)
Mr. Qasim Ali	(Member)

d) Risk Management Committee

Mr. Muhammad Iqbal	(Chairman)
Mr. Muhammad Ashraf	(Member)
Mr. Zahid Ali	(Member)

e) Sustainability Committee

Mr. Qasim Ali	(Chairman)
Mr. Qaiser Nasir	(Member)
Mr. Muhammad Iqbal	(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 2025
    b) HR and Remuneration Committee: One meeting during the financial year ended 30 June 2025
    c) Nomination Committee: One meeting during the financial year ended 30 June 2025
    d) Risk Management Committee: One meeting during the financial year ended 30 June 2025
    e) Sustainability Committee: One meeting during the financial year ended 30 June 2025

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.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) is mentioned in note no. 9.

Muhammad Iqbal
Chief Executive Officer

Muhammad Ashraf
Chairman

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 2025 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 2025.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 29 September 2025

UDIN: CR2025101589GZ2jfiIc

A member of Nexia International

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 2025, 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 2025 and of the profit, other comprehensive income, 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.

A member of Nexia International

Following is the key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	**Revenue recognition** The Company recognized net revenue of Rupees 2,732.954 million for the year ended 30 June 2025. 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. For further information, refer to the following: - 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).	Our procedures included, but were not limited to: • 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.

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.

- 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 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 Mubashar Mehmood.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 29 September 2025

UDIN: AR202510158zoGTXgYMF

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	NOTE	2025 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2024: 17 000 000) ordinary shares of Rupees 10 each		300,000	170,000
Issued, subscribed and paid up share capital			
13 174 800 (2024: 13 174 800) ordinary shares			
of Rupees 10 each fully paid in cash	3	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	4	166,590	155,274
		179,925	168,609
Revenue reserve			
Unappropriated profit / (accumulated loss)		116,569	(33,016)
Total reserves		296,494	135,593
Total equity		428,242	267,341
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income tax liability	5	48,620	58,434
Staff retirement gratuity	6	88,615	73,193
Long term security deposit	7	-	30,000
		137,235	161,627
CURRENT LIABILITIES			
Trade and other payables	8	325,330	293,640
Provision for taxation and levy payable - net	9	-	3,906
		325,330	297,546
TOTAL LIABILITIES		462,565	459,173
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		890,807	726,514

	NOTE	2025 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	597,748	498,560
Long term deposits and prepayment	12	26,720	11,190
		624,468	509,750
CURRENT ASSETS			
Stores, spare parts and loose tools	13	66,920	79,721
Trade debts	14	46,541	66,486
Loans and advances	15	3,278	3,052
Advance income tax and prepaid levy - net	9	21,237	-
Short term deposits, prepayment and other receivables	16	33,842	43,665
Cash and bank balances	17	94,521	23,840
		266,339	216,764
TOTAL ASSETS		890,807	726,514

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025	2024
		(RUPEES IN THOUSAND)	
REVENUE FROM CONTRACTS WITH CUSTOMERS	18	2,732,954	1,809,851
COST OF SALES	19	(2,532,591)	(1,580,962)
GROSS PROFIT		200,363	228,889
DISTRIBUTION COST	20	(5,939)	(4,160)
ADMINISTRATIVE EXPENSES	21	(42,390)	(39,793)
OTHER EXPENSES	22	(12,180)	(13,915)
OTHER INCOME	23	8,880	13,169
FINANCE COST	24	(2,187)	(1,063)
PROFIT BEFORE TAXATION AND LEVY		146,547	183,127
LEVY		-	(392)
PROFIT BEFORE TAXATION		146,547	182,735
TAXATION	25	(44,028)	(63,289)
PROFIT AFTER TAXATION		102,519	119,446
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	26	7.78	9.07

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 2025

	NOTE	2025	2024
		(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION		102,519	119,446
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not be reclassified subsequently to profit or loss:			
Surplus on revaluation of property, plant and equipment	11	62,995	-
Related deferred income tax liability	5.1.1	(9,584)	-
		53,411	-
Remeasurement gain / (loss) arising on staff retirement gratuity	6.3	7,205	(642)
Related deferred income tax (liability) / asset	5.1.1	(2,234)	199
		4,971	(443)
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income / (loss) for the year-net of tax		58,382	(443)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		160,901	119,003

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 2025

	SHARE CAPITAL	RESERVES					TOTAL EQUITY
		CAPITAL			REVENUE	TOTAL	
		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		
	----------	----------	----------	(RUPEES IN THOUSAND)	----------	----------	----------
Balance as at 30 June 2023	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	-	-	(13,493)	(13,493)	13,493	-	-
Adjustment of deferred income tax liability due to remeasurement at year end	-	-	(4,733)	(4,733)	-	(4,733)	(4,733)
Profit for the year	-	-	-	-	119,446	119,446	119,446
Other comprehensive loss for the year	-	-	-	-	(443)	(443)	(443)
Total comprehensive income for the year	-	-	-	-	119,003	119,003	119,003
Balance as at 30 June 2024	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	-	-	(12,542)	(12,542)	12,542	-	-
Transfer from surplus on disposal of property, plant and equipment - net of deferred income tax	-	-	(29,553)	(29,553)	29,553	-	-
Profit for the year	-	-	-	-	102,519	102,519	102,519
Other comprehensive income for the year	-	-	53,411	53,411	4,971	58,382	58,382
Total comprehensive income for the year	-	-	53,411	53,411	107,490	160,901	160,901
Balance as at 30 June 2025	131,748	13,335	166,590	179,925	116,569	296,494	428,242

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 2025

	NOTE	2025	2024
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and levy		146,547	183,127
Adjustments for non-cash charges and other items:			
Depreciation	11.2	46,693	35,496
Provision for staff retirement gratuity	6.2	36,336	29,555
Reversal of allowance for expected credit losses		-	(5,683)
Liability transferred from other company	6.1	1,532	-
Gain on sale of property, plant and equipment	23	(7,767)	(716)
Finance cost	24	2,187	1,063
		225,528	242,842
Working capital changes			
Decrease / (increase) in current assets:			
Stores, spare parts and loose tools		12,801	(21,945)
Trade debts		19,945	27,950
Loans and advances		(226)	1,217
Short term deposits, prepayment and other receivables		9,823	(43,511)
		42,343	(36,289)
Increase in trade and other payables		30,342	31,741
Cash generated from operations		298,213	238,294
Finance cost paid		(1,612)	(505)
Security deposit paid	7	(30,000)	-
Staff retirement gratuity paid		(14,468)	(7,077)
Net increase in long term deposits and prepayment		(15,530)	1,209
Income tax and levy paid		(90,803)	(76,092)
Net cash generated from operating activities		145,800	155,829
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment	11	(130,220)	(142,484)
Proceeds from sale of property, plant and equipment		55,101	3,926
Net cash used in investing activities		(75,119)	(138,558)
NET INCREASE IN CASH AND CASH EQUIVALENTS		70,681	17,271
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		23,840	6,569
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	94,521	23,840

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 2025

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. 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 Sheikhupura 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. These policies have been consistently applied to all years presented, unless otherwise stated:

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 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 judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumption to allocate an overall expected credit loss rate for each group. These assumptions include recent sale experience and historical collection rates.

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 recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised 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 2024:

• Amendments to IAS 1 'Presentation of Financial Statements' – Classification of liabilities as current or non-current;

• Amendments to IAS 1 'Presentation of Financial Statements' – Non-current liabilities with covenants;

• Amendments to IFRS 16 'Leases' – Lease liability in a sale and leaseback transaction; and

• Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' – Supplier finance

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 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.

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

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2025 or later periods:

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

As per the current scenario, the Company will fall in Phase-III of the criteria as per the order from Securities and Exchange Commission of Pakistan (SECP) dated 31 December 2024. Therefore the effective date of these two sustainability standards for the Company is for annual reporting periods beginning on or after 01 July 2027.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following standards relevant to the Company, as result of the IASB's annual improvements project:

* IFRS 7 Financial Instruments: Disclosures;
* IFRS 9 Financial Instruments; and
* IAS 7 Statement of Cash flows.

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 standards and amendments are likely to have no significant impact on the financial statements apart from certain additional disclosures.

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 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

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.

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 unappropriated profit / (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 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 distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

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 recognition

i) Revenue from contracts with customers

a) 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.

b) 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.

c) 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.

d) 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.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

3.1 This represents 13 174 800 (2024: 13 174 800) ordinary shares of Rupees 10 each fully paid up in cash. 4 546 500 ordinary shares (2024: 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.

	2025	2024
	(RUPEES IN THOUSAND)	
4. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX		
Balance as on 01 July	155,274	173,500
Add:		
Increase in surplus on revaluation - net of deferred income tax	53,411	-
Adjustment of deferred income tax liability due to remeasurement at year end	-	(4,733)
	53,411	(4,733)
Less:		
Surplus transferred to unappropriated profit on disposal of property, plant and equipment - net of deferred income tax	(29,553)	-
Transferred to unappropriated profit / (accumulated loss) in respect of incremental depreciation charged during the year - net of deferred income tax	(12,542)	(13,493)
	(42,095)	(13,493)
Balance as on 30 June	166,590	155,274

4.1 Revaluation of property, plant and equipment of the Company was carried out on 31 December 2024 by an independent valuer, Messrs Property Valuation Services (Private) Limited according to the prevailing market prices. Previously revaluations were carried out by independent valuers on 31 December 2021, 31 December 2018, 30 June 2016, 15 June 2011, 17 March 2005, 11 April 2003 and 30 September 1995.

	2025	2024
5. DEFERRED INCOME TAX LIABILITY		
Taxable temporary differences on		
Accelerated tax depreciation	76,754	81,787
Deductible temporary differences on		
Staff retirement gratuity	27,471	22,690
Allowance for expected credit losses	663	663
	28,134	23,353
Deferred income tax liability	48,620	58,434
5.1 Movement in deferred income tax liability balance is as follows:		
Balance as on 01 July	58,434	56,397
Less:		
Recognized in statement of profit or loss:		
- accelerated tax depreciation	(5,033)	5,162
- staff retirement gratuity	(4,781)	(7,927)
- allowance for expected credit losses	-	1,566
- provision for GIDC	-	3,236
	(9,814)	2,037
Deferred income tax liability	48,620	58,434
5.1.1 Charged to the statement of profit or loss:		
Net movement of temporary differences (Note 5.1)	(9,814)	2,037
- on new surplus on revaluation of property, plant and equipment	(9,584)	-
- adjustment of deferred income tax liability due to remeasurement at year end	-	(4,733)
- on remeasurement of staff retirement gratuity	(2,234)	199
	(11,818)	(4,534)
Charged to the statement of profit or loss (Note 25)	(21,632)	(2,497)

		2025	2024
		(RUPEES IN THOUSAND)	

6. STAFF RETIREMENT GRATUITY

The latest actuarial valuation of the staff retirement gratuity was conducted on 30 June 2025 using the Projected Unit Credit Actuarial Cost Method.

6.1 Movement in the present value of staff retirement gratuity

	2025	2024
Balance at the beginning of the year	73,193	51,793
Add:		
Provision for the year (Note 6.2)	36,336	29,555
Remeasurements recognized in other comprehensive income (Note 6.3)	(7,205)	642
Liability transferred from other company	1,532	-
	103,856	81,990
Less:		
Payments made during the year	(13,429)	(7,077)
Liability transferred to other company	(1,039)	-
Increase in current liability - net (Note 8.2)	(773)	(1,720)
	(15,241)	(8,797)
Balance at the end of the year	88,615	73,193

6.2 Provision for the year

	2025	2024
Current service cost	26,587	21,853
Interest cost	9,749	7,702
	36,336	29,555

6.2.1 Provision for the year has been allocated as follows:

	2025	2024
Cost of sales (Note 19)	32,332	26,229
Distribution cost (Note 20)	370	370
Administrative expenses (Note 21)	3,634	2,956
	36,336	29,555

6.3 Remeasurements recognized in other comprehensive income

	2025	2024
Actuarial gain from changes in financial assumptions	(892)	(366)
Experience adjustments	(6,313)	1,008
	(7,205)	642

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

	2025	2024
Present value of defined benefit obligation as at 01 July	73,193	51,793
Current service cost	26,587	21,853
Interest cost	9,749	7,702
Liability transferred to other company	(1,039)	-
Liability transferred from other company	1,532	-
Benefits paid during the year	(13,429)	(7,077)
Benefits due but not yet paid	(773)	(1,720)
Experience adjustments	(6,313)	1,008
Actuarial gain from changes in financial assumptions	(892)	(366)
Present value of defined benefit obligation as at 30 June	88,615	73,193

		2025	2024
6.5	**Principal actuarial assumptions used**		
	Discount rate for interest cost in profit or loss charge	14.75%	16.25%
	Discount rate for year end obligation	11.75%	14.75%
	Expected rate of increase in salary (per annum)	10.75%	13.75%
	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:

	2025	2024
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(4,943)	(4,036)
Decrease in assumption (Rupees in thousand)	5,599	4,561
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	5,860	4,775
Decrease in assumption (Rupees in thousand)	(5,273)	(4,305)

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)	**2025**	**2024**
	(RUPEES IN THOUSAND)	
2025	-	17,245
2026	20,457	17,981
2027	19,431	15,783
2028 to 2034	132,684	141,351
2035 and onwards	941,808	1,432,692

6.8 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 June 2026 are Rupees 38.482 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.

	2025	2024
	(RUPEES IN THOUSAND)	
7. LONG TERM SECURITY DEPOSIT		
Balance as on 01 July	30,000	30,000
Less: Repaid during the year	30,000	-
Closing balance	-	30,000

7.1 This deposit was interest free and was being utilized for the purpose of business in accordance with the terms of written agreement with Beacon Impex (Private) Limited - associate and repaid on 30 June 2025 by mutual consent of both parties.

8. TRADE AND OTHER PAYABLES

	2025	2024
Creditors	118,742	70,468
Gas Infrastructure Development Cess (GIDC) payable (Note 8.1)	11,348	11,348
Accrued liabilities (Note 8.2)	167,188	167,525
Income tax deducted at source	393	8,167
Sales tax payable	7,167	10,904
Workers' profit participation fund (Note 8.3)	10,930	12,057
Workers' welfare fund (Note 8.4)	9,562	13,171
	325,330	293,640

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 as given in Note 6.1, amounting to Rupees 0.773 million (2024: Rupees 1.720 million).

8.3 Workers' profit participation fund

	2025	2024
Balance as on 01 July	12,057	8,757
Add: Provision for the year (Note 22)	7,965	9,768
Add: Interest for the year (Note 24)	575	558
	20,597	19,083
Less: Payments made during the year	9,667	7,026
Balance as on 30 June	10,930	12,057

8.3.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is charged at prescribed rate under the Companies Profits (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	2025	2024
	(RUPEES IN THOUSAND)	
8.4 Workers' welfare fund		
Balance as on 01 July	13,171	9,024
Add: Provision for the year (Note 22)	4,215	4,147
	17,386	13,171
Less: Payments made during the year	7,824	-
Balance as on 30 June	9,562	13,171

9. ADVANCE INCOME TAX AND PREPAID LEVY - NET / PROVISION FOR TAXATION AND LEVY - NET

	2025	2024
Advance income tax - net		
Advance income tax	89,886	62,021
Provision for taxation	(68,649)	(65,927)
	21,237	(3,906)
Levy payable - net		
Levy payable	-	392
Less: Prepaid levy	-	(392)
	-	-
	21,237	(3,906)

10. 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 25.750 million (2024: 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.

iii) The Company filed writ petition in Honorable Lahore high Court, Lahore on 30 July 2025, subsequent to reporting date, against the imposition of gas levy amounting to Rupees 10.795 million on the captive power plants under the Off the Grid (Captive Power Plants) Levy Ordinance, 2025. The Company has also given a post-dated cheque of Rupees 3.241 million against this amount to SNGPL. 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 petition.

b) Commitments

Commitments arising from short term lease to be recognised on a straight line basis as expense under the practical expedient applied by the Company with respect to IFRS 16 are of Rupees 50.628 million (2024: Rupees 50.192 million) which are to be paid within one year (2024: within one year)

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 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)	(1,938)	(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	382	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	382	232	498,560
Year ended 30 June 2025											
Opening net book value	53,462	103,036	290,942	181	952	5,477	33,009	10,887	382	232	498,560
Additions	-	14,219	108,705	62	39	-	7,195	-	-	-	130,220
Effect of surplus on revaluation	32,078	30,162	755	-	-	-	-	-	-	-	62,995
Disposals:											
Cost / revalued amount	-	-	(223,591)	-	-	-	-	-	-	-	(223,591)
Accumulated depreciation	-	-	176,257	-	-	-	-	-	-	-	176,257
	-	-	(47,334)	-	-	-	-	-	-	-	(47,334)
Depreciation charge	-	(12,377)	(28,412)	(19)	(97)	(1,095)	(3,543)	(1,089)	(38)	(23)	(46,693)
Closing net book value	85,540	135,040	324,656	224	894	4,382	36,661	9,798	344	209	597,748
At 30 June 2025											
Cost / revalued amount	85,540	197,347	630,044	1,343	3,889	25,083	100,130	31,334	6,115	2,195	1,083,020
Accumulated depreciation	-	(62,307)	(305,388)	(1,119)	(2,995)	(20,701)	(63,469)	(21,536)	(5,771)	(1,986)	(485,272)
Net book value	85,540	135,040	324,656	224	894	4,382	36,661	9,798	344	209	597,748
Annual rate of depreciation (%)	-	10	10	10	10	20	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	78,687	39,334	39,353
Plant and machinery	327,903	51,237	276,666
Power generation house	88,027	55,615	32,412
2025	515,636	146,186	369,450
2024	547,963	275,558	272,405

	2025	2024
	(RUPEES IN THOUSAND)	
11.2 Depreciation charged during the year has been allocated as follows:		
Cost of sales (Note 19)	45,482	33,951
Administrative expenses (Note 21)	1,211	1,545
	46,693	35,496

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 Sheikhupura Road, Mouza Johal, Faisalabad	42.77	156 400

11.4 Forced sales value of revalued property, plant and equipment as per revaluation carried out on 31 December 2024 was Rupees 418.760 million.

11.5 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Nos	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
		-------------------------RUPEES IN THOUSAND-----------------------						
Plant and machinery								
Ring Frame Howa Uf 33 E	9	30,649	26,035	4,614	7,164	2,550	Negotiation	Saddam Traders, Chak Jhumra
Ring Frame Howa Uf 33 E	7	23,838	20,252	3,586	5,347	1,761	Negotiation	Naveed Ali, Waris Pura, Faisalabad
Ring Frame Howa Uf 33 E	5	17,027	14,468	2,559	3,620	1,061	Negotiation	Kramat Ali, Sindhu Town, Faisalabad
Card Howa CM-300	22	70,797	49,810	20,987	21,010	23	Negotiation	Saddam Traders, Chak Jhumra
Card Howa CM-300	2	6,294	4,437	1,857	2,045	188	Negotiation	Subhan Traders, Samundari Road, Faisalabad
Draw Frame Howa-186	3	13,758	10,803	2,955	2,970	15	Negotiation	Al Mushtaq Corporation, Sher Shah Road, Multan Cantt.
Draw Frame Howa-186	3	13,758	10,896	2,862	2,865	3	Negotiation	Saddam Traders, Chak Jhumra
Bale Breaker 1000 MM	2	12,144	9,998	2,146	2,045	(101)	Negotiation	Subhan Traders, Samundari Road, Faisalabad
Auto Plucker	1	3,798	3,127	671	1,021	350	Negotiation	Subhan Traders, Samundari Road, Faisalabad
Scutcher	2	4,990	3,214	1,776	1,800	24	Negotiation	Al Mushtaq Corporation, Sher Shah Road, Multan Cantt.
Drawing Machine Cherry	1	6,765	5,682	1,083	570	(513)	Negotiation	Al Mushtaq Corporation, Sher Shah Road, Multan Cantt.
Trutchiler Multimixer	1	2,163	1,352	811	455	(356)	Negotiation	Saddam Traders, Chak Jhumra
		205,981	160,074	45,907	50,912	5,005		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		17,610	16,183	1,427	4,189	2,762		
		223,591	176,257	47,334	55,101	7,767		

		2025	2024
		(RUPEES IN THOUSAND)	
12.	**LONG TERM DEPOSITS AND PREPAYMENT**		
	Security deposits	28,720	11,099
	Prepayment	91	323
		28,811	11,422
	Less: Current portion shown under current assets (Note 16)	2,091	232
		26,720	11,190
13.	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	Stores	32,422	32,191
	Spare parts	34,163	47,209
	Loose tools	335	321
		66,920	79,721
14.	**TRADE DEBTS**		
	Considered good:		
	Unsecured		
	Related party (Note 14.1)	19,395	27,458
	Others	29,284	41,166
		48,679	68,624
	Less: Allowance for expected credit losses (Note 14.2)	2,138	2,138
		46,541	66,486

14.1 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 115.990 million (2024: Rupees 179.005 million)

14.2 Allowance for expected credit losses:

	2025	2024
Balance as on 01 July	2,138	7,821
Less: Recovered during the year	-	(5,683)
	2,138	2,138

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. Moreover all trade debts are located in Pakistan.

		2025	2024
15.	**LOANS AND ADVANCES**		
	Considered good:		
	Employees - interest free:		
	against salary (Note 15.1)	2,361	2,416
	against expenses	478	25
	Advances to suppliers	439	611
		3,278	3,052

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 recovered on monthly basis uptill maximum period of one year from the date of advance.

		2025	2024
		(RUPEES IN THOUSAND)	
16.	**SHORT TERM DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES**		
	Considered good:		
	Security deposit	10,290	10,284
	Other receivables	21,461	-
	Current portion of long term deposits and prepayment (Note 12)	2,091	232
	Sales tax refundable	-	33,149
		33,842	43,665
17.	**CASH AND BANK BALANCES**		
	With banks:		
	on current accounts (Note 17.1)	60,002	12,200
	on saving account (Note 17.2)	34,126	11,513
		94,128	23,713
	Cash in hand	393	127
		94,521	23,840

17.1 These include Rupees 11.235 million (2024: Rupees 11.235 million) 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 ranging from 6.50% to 19.00% (2024: 20.50%) per annum.

		2025	2024
18.	**REVENUE FROM CONTRACTS WITH CUSTOMERS**		
	Conversion and doubling income	3,224,886	2,135,624
	Less: Sales tax	(491,932)	(325,773)
		2,732,954	1,809,851

18.1 The Company's revenue from external customers only relates to Pakistan.

18.2 Revenue is recognized at point in time as per the terms and conditions of underlying contracts with customers.

		2025	2024
19.	**COST OF SALES**		
	Salaries, wages and other benefits	937,242	659,529
	Staff retirement benefit (Note 6.2.1)	32,332	26,229
	Fuel and power	949,982	510,412
	Telephone	1,176	394
	Stores, spare parts and loose tools consumed	161,492	98,202
	Packaging materials and other charges	135,927	89,785
	Repair and maintenance	31,868	27,917
	Travelling and conveyance	21,844	15,481
	Transportation and handling	7,317	1,623
	Rent, rates and taxes (Note 19.1)	167,917	96,000
	Other factory overheads	32,184	16,219
	Insurance	7,828	5,220
	Depreciation (Note 11.2)	45,482	33,951
		2,532,591	1,580,962

19.1 These represent rent in respect of short term leases.

		2025	2024
20.	**DISTRIBUTION COST**		
	Salaries and other benefits	3,480	3,480
	Staff retirement benefit (Note 6.2.1)	370	370
	Outward freight and handling	2,089	212
	Export development surcharge	-	98
		5,939	4,160

		2025	2024
		(RUPEES IN THOUSAND)	
21.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits	21,650	19,184
	Staff retirement benefit (Note 6.2.1)	3,634	2,956
	Travelling and conveyance	469	101
	Advertisement, printing and stationery	800	753
	Electricity, sui gas and water	660	2,074
	Postage and telephone	438	527
	Rent, rates and taxes (Note 21.1)	1,287	1,440
	Repair and maintenance	3,737	3,679
	Auditor's remuneration (Note 21.2)	1,680	1,625
	Legal and professional	2,763	2,150
	Fee, subscription and periodicals	2,625	1,910
	Entertainment	430	543
	Others	1,006	1,306
	Depreciation (Note 11.2)	1,211	1,545
		42,390	39,793
21.1	These represent rent in respect of short term leases.		
21.2	**Auditor's remuneration**		
	Statutory audit	1,150	1,000
	Other certifications including half yearly review	500	600
	Out of pocket expenses	30	25
		1,680	1,625
22.	**OTHER EXPENSES**		
	Workers' profit participation fund (Note 8.3)	7,965	9,768
	Workers' welfare fund (Note 8.4)	4,215	4,147
		12,180	13,915
23.	**OTHER INCOME**		
	Income from financial assets		
	Profit on saving account	1,113	1,869
	Reversal of allowance for expected credit losses	-	5,683
	Exchange gain - net	-	2,231
		1,113	9,783
	Income from non - financial assets		
	Sale of scrap	-	2,670
	Gain on sale of property, plant and equipment	7,767	716
		7,767	3,386
		8,880	13,169
24.	**FINANCE COST**		
	Interest on workers' profit participation fund (Note 8.3)	575	558
	Bank charges and commission	1,612	505
		2,187	1,063

		2025	2024
		(RUPEES IN THOUSAND)	
25.	**TAXATION**		
	Current (Note 25.1)	65,679	64,888
	Prior year adjustment	(19)	898
	Deferred (Note 5.1.1)	(21,632)	(2,497)
		44,028	63,289

25.1 Provision for current tax represents corporate tax and super tax calculated as per Section 4C of Income Tax Ordinance, 2001.

25.2 Reconciliation between tax expense and accounting profit

	2025	2024
Profit before tax	146,547	182,735
Tax on profit @ 29% (2024: 29%)	42,499	52,993
Tax effect of super tax	4,237	4,212
Tax effect of prior year adjustment	(19)	898
Tax effect arising as a consequence of recognition of deferred income tax	(21,632)	(2,497)
Others	18,943	7,683
	44,028	63,289

26. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2025	2024
Profit after taxation attributable to ordinary shareholders	(Rupees in thousand)	102,519	119,446
Weighted average number of ordinary shares	(Numbers)	13 174 800	13 174 800
Earnings per share	(Rupees)	7.78	9.07

27. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these financial statements for remuneration including all benefits to the Chief Executive Officer, directors and executives of the Company are as follows:

DESCRIPTION	2025			2024		
	Chief Executive Officer	Director (Note 27.1)	Executives	Chief Executive Officer	Director (Note 27.1)	Executives
	(RUPEES IN THOUSAND)					
Managerial remuneration	833	1,143	16,223	833	1,143	13,472
Allowances						
House rent	333	457	6,489	333	457	5,389
Others	83	114	9,314	83	114	7,323
Payment of staff retirement gratuity	-	-	821	-	-	-
	1,249	1,714	32,847	1,249	1,714	26,184
Number of persons	1	1	8	1	1	6

27.1 The director's remuneration is paid to Mr. Zeeshan Saeed.

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

27.3 Aggregate amount charged in these financial statements for meeting fee to 7 (2024: 7) directors, including Chief Executive Officer of the Company was Rupees 1.031 million (2024: Rupees 1.094 million).

27.4 Apart from meeting fee mentioned in Note 27.3, no remuneration was paid to non-executive directors of the Company.

	2025	2024
28. NUMBER OF EMPLOYEES		
Number of employees as at 30 June	955	952
Average number of employees during the year	1,450	969

29. 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:

	2025	2024
	(RUPEES IN THOUSAND)	
Transactions with associate		
Purchase of goods and other shared services	371,475	140,177
Revenue from conversion and doubling of yarn	2,446,526	1,710,182
Repayment of security deposit	30,000	-
Transfer of staff retirement gratuity	53,716	-
Other related parties		
Sale of vehicles to executives	-	3,926

29.1 Beacon Impex (Private) Limited (BIPL) is the associate of the Company holding 34.5091% (2024: 34.5091%) shareholding in the Company.

29.2 Detail of compensation to key management personnel is disclosed in Note 27.

30. 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 (2024: one major customer) of the Company representing revenue of Rupees 2,446.526 million (2024: Rupees 1,710.182 million).

31. 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.

32. FINANCIAL RISK MANAGEMENT

32.1 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. The Company has no receivable / payable balance in foreign currency as on 30 June 2025 (2024: Nil)

(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 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:

	2025	2024
	(RUPEES IN THOUSAND)	
Floating rate instruments		
Financial assets		
Bank balance in saving account	34,126	11,513

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 0.219 million (2024: Rupees 0.074 million) 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:

	2025	2024
	(RUPEES IN THOUSAND)	
Deposits	39,010	21,383
Trade debts	46,541	66,486
Loans and advances	2,361	2,416
Bank balances	94,128	23,713
	182,040	113,998

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			2025	2024
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	46,632	814
The Bank of Punjab	A1+	AA+	PACRA	47,434	22,794
MCB Bank Limited	A1+	AAA	PACRA	23	105
Bank Alfalah Limited	A1+	AAA	PACRA	39	-
				94,128	23,713

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 2025	GROSS AMOUNT 2024	EXPECTED CREDIT LOSSES 2025	EXPECTED CREDIT LOSSES 2024
	(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
Not past due	24,041	5,219	-	-
Upto 1 month	778	6,910	-	-
1 to 6 months	-	25,582	-	-
6 months to 1 year	2,327	1,317	-	-
More than 1 year	2,138	2,138	2,138	2,138
	29,284	41,166	2,138	2,138

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 2025, the Company had Rupees 94.521 million (2024: Rupees 23.840 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 2025:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 1 year
	(RUPEES IN THOUSAND)				
Non-derivative financial liabilities:					
Trade and other payables	285,930	285,930	285,930	-	-

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	-	-
	267,993	267,993	237,993	-	30,000

32.2 Financial instruments by categories

	2025	2024
	(RUPEES IN THOUSAND)	
	At amortized cost	
Financial assets as per statement of financial position		
Deposits	39,010	21,383
Trade debts	46,541	66,486
Loans and advances	2,361	2,416
Cash and bank balances	94,521	23,840
	182,433	114,125
Financial liabilities as per statement of financial position		
Long term security deposit	-	30,000
Trade and other payables	285,930	237,993
	285,930	267,993

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

	2025			2024		
	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	26,720	-	26,720	11,099	91	11,190
Trade debts	46,541	-	46,541	66,486	-	66,486
Loans and advances	2,361	917	3,278	2,416	636	3,052
Short term deposits, prepayment and other receivables	10,290	23,552	33,842	10,284	33,381	43,665
Cash and bank balances	94,521	-	94,521	23,840	-	23,840
	180,433	24,469	204,902	114,125	34,108	148,233

	2025			2024		
	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
Trade and other payables	285,930	39,400	325,330	237,993	55,647	293,640
	285,930	39,400	325,330	267,993	55,647	323,640

32.4 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.

32.5 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.

33. 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).

34. 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.

	Level 1	Level 2	Level 3	Total
	RUPEES IN THOUSAND			
At 30 June 2025				
Freehold land	-	85,540	-	85,540
Buildings on freehold land	-	135,040	-	135,040
Plant and machinery	-	324,656	-	324,656
Power generation house	-	36,661	-	36,661
Total non-financial assets	-	581,897	-	581,897

	Level 1	Level 2	Level 3	Total
	RUPEES IN THOUSAND			
At 30 June 2024				
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

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.

35. DISCLOSURE REQUIREMENTS FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES

Description	NOTE	2025	2024
		(RUPEES IN THOUSAND)	
Revenue earned from shariah compliant business	18	2,732,954	1,809,851
Exchange gain		-	2,231
Profit earned / interest paid on any conventional loan / advance:			
Profit on saving account with bank	23	1,113	1,869
Other income - shariah compliant			
Gain on sale of property, plant and equipment	23	7,767	716
Reversal of allowance for expected credit losses		-	5,683
Sale of scrap		-	2,670

There was no dividend on any investment and no loan / advance as per Islamic mode. Moreover there was no late payment or liquidity damages. Furthermore there was no relationship with any shariah compliant bank.

36. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 29, 2025 by the Board of Directors of the Company.

37. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made except for Rupees 4.733 million which is included in taxation instead of netting off from accumulated loss.

38. 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 40th **ANNUAL GENERAL MEETING ("AGM")** of Arctic Textile Mills Limited, ("the Company") will be held on Monday, October 27, 2025, at its Registered Office, P-102 Jail Road, 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 26, 2024.

2. To receive, consider and approve the annual Audited Financial Statements of the Company for the year ended June 30, 2025, 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.

OTHER BUSINESS:

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

BY ORDER OF THE BOARD
COMPANY SECRETARY

Dated: October 03, 2025
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 20, 2025 to October 27, 2025 (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 18 October, 2025 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 2025 through email at "info@arctictextile.com". and / or through Mobile / WhatsApp no. +92 333-6598588.

4. Members are requested to notify changes, if any, in their registered address and provide valid email address to ensure compliance with the SECP directions.

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. In compliance with SECP, the audited financial statements and reports of the Company for the year ended June 30th, 2025, & notice of AGM to be held on October 27, 2025 are being placed on the Company's website: www.arctictextile.com

10. 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:

11.

Folio / CDC Account No	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal / Joint Shareholder

"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

12. **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 P-102, Jail Road, Faisalabad.	**Share Registrar** Corplink (Private) Limited Wings Arcade, 1- K Commercial, Model Town, Lahore.
https://www.arctictextile.com/financial-statement.html	**Weblink**

13. **Statutory Code of Conduct at AGM**

In compliance with Section 215 and Section 185 of the Companies Act, 2017 and the applicable regulations, shareholders are requested to confine themselves to the agenda items of the AGM, avoid any political or disruptive conduct, and not bring any material that may pose a threat to participants or the venue. Shareholders shall not exert undue influence on the Management, and the Company is not permitted to distribute gifts or incentives in any form at the meeting.

FORM 20

THE COMPANIES ACT, 2017
(Section 227(2)(f))
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 **30-06-2025**

3.1 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
461	1	100	40,819
790	101	500	296,760
224	501	1,000	202,917
177	1,001	5,000	448,937
40	5,001	10,000	292,270
29	10,001	15,000	381,347
9	15,001	20,000	166,780
5	20,001	25,000	114,461
2	25,001	30,000	56,807
7	30,001	35,000	230,461
3	35,001	40,000	113,845
1	50,001	55,000	52,946
3	55,001	60,000	174,398
2	60,001	65,000	122,700
1	70,001	75,000	72,400
1	85,001	90,000	90,000
2	90,001	95,000	186,600
1	140,001	145,000	144,000
1	190,001	195,000	191,800
2	310,001	315,000	620,300
1	465,001	470,000	468,400
1	500,001	505,000	503,752
1	555,001	560,000	560,000
1	560,001	565,000	563,800
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
1,769			**13,174,800**

4. Categories of Shareholders	Shares Held	Percentage
1 Directors, Chief Executive Officer, and their spouse and minor children	2,297,750	17.4405%
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.	674,600	5.1204%
5 Insurance Companies	19,900	0.1510%
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	5,154,793	39.1262%
b. Foreign	0	0.0000%
9 Others (to be specified) Joint Stock Companies	295,757	2.2449%

Ali Mudassar
Company Secretary

Categories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2025

Sr. No.	Name	No. of Shares	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	BEACON IMPEX (PRIVATE) LIMITED	4,546,500	34.51%
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	MR. ZAHID ALI	310,150	2.35%
5	MR. QASIM ALI	600	0.00%
6	MR. QAISER NASIR (Nominee of Becon Impex)	-	-
7	MISS AREEJ TARIQ (Nominee of Becon Impex)	-	-
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance		730,700	5.55%
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:			
Shareholders holding five percent or more voting intrest 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 2025:

(i) Mean Gender Pay Gap: The mean pay for men is 9.11% higher than of women.

(ii) Median Gender Pay Gap: The median pay for men is equal to women.

Muhamad Iqbal
Chief Executive Officer

Date: 29 September, 2025

FORM OF PROXY

arctic

No. of Ordinary Shares Held .... Folio No .... CDC A/c No ....

I /We...

(NAME & NTN / CNIC)

of...

(ADDRESS)

being a member of ARCTIC TEXTILE MILLS LIMITED hereby appoint..

....

(NAME & CNIC)

of...

(ADDRESS)

(being a member of the Company) as my/our proxy to vote for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held at its registered office at P-102, Jail Road, Faisalabad on Monday the 27th day of October 2025 at 11:00 AM or any adjournment thereof.

As witnessed my hands this .... day of 2025

Signed by me in the presence of witness..

____________________ (Signature of witness) CNIC.....................	Please affix revenue stamp	____________________ (Member's Signature) CNIC.....................
____________________ (Signature of witness) CNIC.....................		

Notes:

- Proxies in order to be effective must be received at the Company's Regisered office at P-102. Jail Road, Faisalabad not later than forty-eight hours before the time for holding the meeting and must be duly signed and witnessed.
- CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Card (CNIC)/ Passport in original to prove his/her identity and in case of proxy, CDC beneficial owners and poxy holders must enclose on attested copy of their CNIC/ Passport with proxy form.
- In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form or may be provided at the time of meeting.

پراکسی فارم

arctic

حصص کی تعداد: -- فولیو نمبر: ---------------------------------- سی ڈی سی کھاتہ نمبر: -----------------------------

میں/ہم/مسمی/مسماۃ: ------------------------------- ساکن ------------------------------- بحیثیت ممبر کمپنی، مسمی/مسماۃ -----------------------------

ساکن -- کمپنی ممبر یا اسکی عدم موجودگی کی صورت میں مسمی/مسماۃ ------------------ ساکن --

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 27 اکتوبر 2025 بروز سوموار بوقت صبح 11:00 بجے آرکٹک ٹیکسٹائل ملز لمیٹڈ، پی۔102، جیل روڈ۔فیصل آباد میں منعقد ہو رہا ہے۔میں بول سکے اور ووٹ ڈال سکے۔

دستخط بتاریخ-------------/دن-------------/2025

ممبر دستخط ____________________

(دستخط کمپنی میں موجود رجسٹرڈ کے مطابق ہونے چاہیئں)

ریونیو سٹمپ چسپاں کریں

گواہ کوائف نمبر 01

دستخط ____________________

نام ____________________

پتہ ____________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ____________

گواہ کوائف نمبر 02

دستخط ____________________

نام ____________________

پتہ ____________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ____________

نوٹ:

01۔ پراکسی فارم کمپنی کے رجسٹرڈ آفس، پی۔102، جیل روڈ۔فیصل آباد پر اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرانا لازمی ہے۔بصورت دیگر وہ قابل قبول نہ ہوگا۔

02۔ سی ڈی سی حصص داران پراکسی ہولڈرز اجلاس ہذا میں اپنی شناخت ثابت کرنے کے لئے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ ساتھ لائیں۔ اور پراکسی کی صورت میں سی ڈی سی حصص داران اور پراکسی ہولڈرز اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم ساتھ لگائیں گے۔

03۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمائندہ کے دستخط (اگر پہلے مہیا نہیں کی گئیں) پراکسی فارم کے ساتھ لف کرنے ہوں گے یا اجلاس ہذا کے وقت مہیا کر سکتے ہیں