



ARCTIC TEXTILE MILLS LIMITED



ANNUAL REPORT 2026

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01 | COMPANY OVERVIEW

COMPANY
INFORMATION

VISION
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MISSION
STATEMENT

COMPANY INFORMATION

Board of Directors	Mr. Muhammad Ashraf Mr. Muhammad Iqbal Mr. Zeeshan Saeed Mr. Zahid Ali Mr. Qasim Ali Miss. Areej Tariq Mr. Qaiser Nasir	Chairman Chief Executive Officer Director Director (Independent) Director (Independent) Director (Nominee BIPL) Director (Nominee BIPL)
Audit Committee	Mr. Zahid Ali Mr. Qaiser Nasir Mr. Muhammad Ashraf	Chairman Member Member
HR and Remuneration Committee	Mr. Qasim Ali Miss. Areej Tariq Mr. Muhammad Iqbal	Chairman Member Member
Nomination Committee	Mr. Muhammad Ashraf Mr. Zahid Ali Mr. Qasim Ali	Chairman Member Member
Risk Management Committee	Mr. Muhammad Iqbal Mr. Muhammad Ashraf Mr. Zahid Ali	Chairman Member Member
Sustainability Committee	Mr. Qasim Ali Miss. Areej Tariq Mr. Muhammad Iqbal	Chairman Member Member
Company Secretary	Mr. Ali Mudassar	
Chief Financial Officer	Mr. Muhammad Daniyal	
Auditors	Riaz Ahmad and Company (Chartered Accountants) FS Tower, Out Side AI – Fateh Garden East Canal Road, Faisalabad.	
Banks	The Bank of Punjab Habib Metropolitan Bank Limited MCB Bank Limited Bank Alfalah Limited Askari Bank Limited	
Share Registrar	Corplink (Private) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore	
Registered/Head Office	P-102, Jail Road, Faisalabad. +92-41-2605076 www.arctictextile.com, info@arctictextile.com	
Mills	35 - Kilometer, Main Sheikhpura Road, Mouza Johal, Tehsil Jaranwala, District Faisalabad.	

VISION AND MISSION STATEMENTS

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.



02 | CORPORATE

GOVERNANCE AND PERFORMANCE

CHAIRMAN'S
REVIEW

DIRECTOR'S
REPORT

SIX YEARS
FINANCIAL RESULTS

STATEMENT OF
COMPLIANCE
WITH CORPORATE
GOVERNANCE

INDEPENDENT
AUDITOR'S REVIEW
REPORT TO THE
MEMBERS

CHAIRMAN'S REVIEW REPORT

I am pleased to present the Chairman's Review for the financial year ended June 30, 2026. During the year, the Board remained actively engaged in providing strategic direction and oversight of the Company's affairs. Particular emphasis was placed on financial discipline, operational efficiency, risk management and regulatory compliance, while ensuring that the Company remained responsive to evolving business and market conditions.

Despite a challenging operating environment, the Company remained profitable and recorded a profit after taxation of Rupees 76.421 million for the year. The textile sector continued to face pressures arising from energy and input costs, financing conditions, changing market demand and broader economic uncertainties. Against this backdrop, management remained focused on financial discipline, strategic management, efficient utilization of resources and maintaining operational stability.

The Board continued to exercise effective oversight of the Company's financial reporting, internal controls, risk management and governance framework. Regular engagement with management, Board Committees and auditors facilitated timely review of financial performance, key risks, business strategies and regulatory matters. The Company also continued to promote responsible business practices, including workplace safety, employee well-being, environmental sustainability and ethical conduct.

Looking ahead, the Board remains focused on strengthening operational capabilities, improving efficiencies and pursuing appropriate business expansion opportunities. The Company will continue to evaluate its strategies in light of prevailing market conditions, with an emphasis on prudent financial management and sustainable growth. The Board believes that disciplined execution, sound governance and an adaptable business approach will support the Company in navigating emerging challenges and opportunities.

On behalf of the Board, I extend my sincere appreciation to our shareholders, employees, customers, lenders, business partners and other stakeholders for their continued trust, dedication and support. The Board looks forward to their continued cooperation as the Company pursues its strategic objectives and long-term sustainable growth.



Chairman

Faisalabad:
September 29, 2026

DIRECTORS' REPORT TO THE MEMBERS

We, on behalf of the Board of Directors, are pleased to present the 41st Annual Directors' Report of the Company, together with the audited financial statements for the year ended June 30, 2026, the Auditors' Report thereon, and other information and disclosures required under the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

FINANCIAL RESULTS

	2026	2025
	(RUPEES IN THOUSAND)	
Revenue from Contracts with Customers	1,901,268	2,732,954
Cost of Sales	(1,736,801)	(2,532,591)
Gross Profit	164,467	200,363
Distribution Cost	(6,042)	(5,939)
Administrative Expenses	(51,533)	(42,390)
Other Expenses	(8,449)	(12,180)
	(66,024)	(60,509)
	98,443	139,854
Other Income	10,949	8,880
Profit From Operations	109,392	148,734
Finance Cost	(2,229)	(2,187)
Profit before Levy and Taxation	107,163	146,547
Levy	-	-
Profit before Taxation	107,163	146,547
Taxation	(30,742)	(44,028)
Profit after Taxation	76,421	102,519
Earnings Per Share- Basic and Diluted (Rupees)	5.80	7.78

FINANCIAL HIGHLIGHTS

The Company recorded revenue of Rupees 1,901.268 million during the year ended June 30, 2026, compared with Rupees 2,732.954 million in the preceding year. Profit after taxation stood at Rupees 76.421 million, compared with Rupees 102.519 million in the previous year. The year-on-year decline is due to discontinuation of the leased spinning unit towards the end of the preceding financial year.

The spinning sector continues to play a vital role in Pakistan's textile industry and the national economy. However, the sector remained under pressure from subdued demand, elevated input costs and broader market uncertainties. Sustainable recovery and improved international competitiveness will require a stable policy environment, reliable and competitive energy supply, streamlined taxation and supportive institutional measures. The Company remains focused on adapting to the evolving industry environment while maintaining operational and financial discipline.

ENVIRONMENT, HEALTH AND SAFETY

The Company remains committed to providing a safe and secure working environment for its employees and minimizing risks to the health and well-being of employees and the public. Appropriate health and safety protocols are maintained across operations, supported by regular awareness sessions and safety drills to promote preparedness, compliance and a strong culture of workplace safety.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company continued to promote corporate social responsibility through initiatives focused on environmental sustainability, employee well-being and community welfare. These included tree plantation activities, energy-efficient practices, health and safety measures, and support for education and relief initiatives. The Company also remained committed to ethical business practices and fostering a respectful and inclusive workplace.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Company remains committed to integrating Environmental, Social and Governance (ESG) principles into its operations through energy efficiency, employee well-being, community engagement and sound governance practices. These efforts support the Company's approach towards sustainable growth and long-term value creation for its stakeholders.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

The Company remains committed to adopting sustainable and responsible business practices, including a paperless working environment, energy conservation and efficient utilization of resources, with a view to reducing its environmental footprint and supporting long-term sustainability.

SUBSEQUENT EVENTS

Except for the development disclosed under Future Outlook relating to the acquisition of a spinning unit on lease subsequent to the year-end, there have been no other material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

FINANCIAL RISK MANAGEMENT

The Company is exposed to various financial risks, including market, credit and liquidity risks. These risks are managed through a framework of policies approved by the Board of Directors, aimed at mitigating potential adverse effects on the Company's financial performance. The framework provides guiding principles for overall risk management, including currency, price, interest rate, credit and liquidity risks.

FUTURE OUTLOOK

The Board remains focused on enhancing the Company's operational and financial performance through strategic management, operational efficiencies and disciplined resource allocation. The Company continues to pursue strategies aimed at strengthening profitability, managing risks and supporting sustainable growth.

As part of its business expansion strategy, subsequent to the year-end, the Board of Directors, at its meeting held on August 1, 2026, approved the arrangement to operate a spinning unit on lease at a market-competitive rate, effective from the same date. The Company is also considering the commencement of commercial operations alongside the Company's existing business model in the near future. These initiatives are expected to enhance the Company's operational capacity and support its future business activities, while the Company continues to closely monitor prevailing market conditions and operating costs.

FUTURE DEVELOPMENT, PERFORMANCE AND GROWTH DRIVERS

The Company's future performance will continue to be influenced by market demand, raw material and energy costs, currency fluctuations and evolving sustainability requirements. At the same time, the Company remains focused on improving operational efficiencies, optimizing its available capacity and exploring opportunities for diversification and value addition to support sustainable growth.

DIVIDEND

The Board has not recommended any dividend for the year, considering the Company's future business plans and operational requirements, and has retained available funds to support working capital, business expansion and sustainable growth.

EARNINGS PER SHARE

The basic and diluted earnings per share for the year ended June 30, 2026 were Rupees 5.80, compared with Rupees 7.78 in the preceding year.

KEY OPERATING AND FINANCIAL DATA

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

EXTERNAL AUDITORS

The present auditors, M/s Riaz Ahmad & Company, Chartered Accountants, retire and, being eligible, have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment, and the Board of Directors has endorsed the recommendation for their re-appointment as statutory auditors of the Company for the year ending June 30, 2027.

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2026, is annexed.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, along with the Auditors' Review Report thereon, forms part of this Annual Report.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The directors are pleased to confirm that:

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, results of operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgments.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of the 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 as to the Company's ability to continue as a going concern.
- g) All transactions with related parties have been carried out in accordance with the applicable requirements and have been appropriately disclosed in the relevant notes to the financial statements.
- h) The Company has a policy in place to ensure transparent procedures for determining the remuneration of Directors, and no Director participates in determining his/her own remuneration. Details of the remuneration of the Directors and Chief Executive Officer are disclosed in Note 28 to the financial statements.

COMPOSITION OF THE BOARD

The Board of Directors as of June 30, 2026 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 four meetings were held and number of meetings attended by each director is as follows:

Name of Directors	Number of meetings attended
Mr. Muhammad Ashraf	4
Mr. Muhammad Iqbal	4
Mr. Zeeshan Saeed	4
Mr. Zahid Ali	4
Mr. Qasim Ali	4
Miss Areej Tariq	4
Mr. Qaiser Nasir	4

BOARD COMMITTEES MEETINGS AND ATTENDANCE

The composition of the Board committees and attendance of their respective members during the year were as follows:

Name of Director	Audit Committee Meetings-4	HR Remuneration Committee Meetings- 1	Nomination Committee Meetings-1	Risk Management Committee Meetings - 1	Sustainability Committee Meetings -1
Mr. Muhammad Ashraf	4	NA	1	1	NA
Mr. Muhammad Iqbal	NA	1	NA	1	1
Mr. Zahid Ali	4	NA	1	1	NA
Mr. Qasim Ali	NA	1	1	NA	1
Miss Areej Tariq	4	NA	NA	NA	NA
Mr. Qaiser Nasir	NA	1	NA	NA	1

DIRECTOR'S REMUNERATION

The Board of Directors has approved a policy for determining the remuneration of Directors. The salient features of the policy are as follows:

- Non-Executive Directors are not entitled to any remuneration other than fees for attending meetings of the Board and its Committees;
- 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; and
- No Director participates in determining his/her own remuneration.

ADEQUACY OF INTERNAL AND FINANCIAL CONTROLS

The Board of Directors has established an effective system of internal and financial controls designed to ensure:

- Effective and efficient operations;
- Safeguarding of the Company's assets;
- Compliance with applicable laws and regulations; and reliable financial reporting.

The Internal Audit function regularly reviews the effectiveness of internal controls and compliance with established policies and procedures. Internal audit reports are presented to the Audit Committee in accordance with the approved audit plan for its review and oversight.

ANNUAL BOARD PERFORMANCE EVALUATION

The Board considers performance evaluation an integral part of good corporate governance. Accordingly, an annual evaluation of the Board, its committees and individual Directors are conducted through in-house questionnaires based on relevant governance practices. A summarized assessment report is presented by the Company Secretary to the Board for discussion and review.

The Board acknowledges and appreciates the valuable contributions of the Directors, looking forward to their contribution towards the Company's continued progress and sustainable growth.

ACKNOWLEDGMENT

The Board expresses its sincere appreciation to the employees of the Company for their dedication and commitment, and extends its gratitude to the shareholders, lenders and other stakeholders for their continued trust, support and cooperation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Faisalabad:
September 29, 2026

A handwritten signature in black ink, appearing to be 'H. S. Khan'.

Director

A handwritten signature in black ink, appearing to be 'A. S. Khan'.

Chief Executive Officer

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

ہم، بورڈ آف ڈائریکٹرز کی جانب سے، کمپنی کی 41 ویں سالانہ ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ جو 30 جون 2026 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں، اس رپورٹ اور تمام دیگر معلومات پر مشتمل ہے۔ جو سلیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریکمیشنز 2019 اور کمپنیز ایکٹ 2017 کے تحت درکار ہیں۔

مالی نتائج:

2025 روپے ہزاروں میں	2026 روپے ہزاروں میں	
2,732,954	1,901,268	کنزریکٹرز کے ساتھ معاہدوں سے حاصل ہونے والی آمد
(2,532,591)	(1,736,801)	لائسنس آمد
200,363	164,467	مجموعی نفع
(5,939)	(6,042)	فروخت و تقسیم کے اخراجات
(42,390)	(51,533)	انتظامی اخراجات
(12,180)	(8,449)	دیگر اخراجات
(60,509)	(66,024)	
139,854	98,443	
8,880	10,949	دیگر آمد
148,734	109,392	آپریٹنگ کاروبار سے منافع
(2,187)	(2,229)	مالی لائسنس
146,547	107,163	قبل از ٹیکس نفع اور محصول (لیوی)
-	-	محصول (لیوی)
146,547	107,163	قبل از ٹیکس نفع
(44,028)	(30,742)	ٹیکس
102,519	76,421	بعد از ٹیکس نفع
7.78	5.80	فی حصص نفع (روپوں میں)

مالیاتی جائزہ:

کمپنی نے 30 جون 2026 کو اختتام پذیر ہونے والے سال کے دوران 1,901.268 ملین روپے کی آمدنی ریکارڈ کی، جبکہ گزشتہ سال یہ 2,732.954 ملین روپے تھی۔ بعد از ٹیکس منافع 76.421 ملین روپے رہا، جبکہ گزشتہ سال یہ 102.519 ملین روپے تھا۔ سال بہ سال یہ کمی گزشتہ مالی سال کے اختتام کے قریب لیز پر حاصل کردہ اسپیننگ یونٹ کی بندش کے باعث ہوئی۔ اسپیننگ کا شعبہ پاکستان کی ٹیکسٹائل صنعت اور قومی معیشت میں ایک اہم کردار ادا کرتا چلا آ رہا ہے۔ تاہم، یہ شعبہ کمزور طلب، بلند پیداواری لاگت اور مجموعی منڈی کی غیر یقینی صورتحال کے باعث دباؤ کا شکار رہا۔ پاکستانی اور بین الاقوامی سطح پر مسابقتی صلاحیت میں بہتری کے لیے ایک مضبوط مالیاتی ماحول، قابل اعتماد اور مسابقتی نرخوں پر توانائی کی فراہمی، سادہ و موثر نظام ٹیکس اور معاون ادارہ جاتی اقدامات ناگزیر ہوں گے۔ کمپنی آپریشنل اور مالیاتی نظم و ضبط برقرار رکھتے ہوئے صنعت کے بدلتے ہوئے ماحول سے ہم آہنگ ہونے پر توجہ مرکوز رکھے ہوئے ہے۔

صحت، سلامتی اور ماحول:

کمپنی اپنے ملازمین کو محفوظ اور پُر امن کام کا ماحول فراہم کرنے اور ملازمین اور عوام کی صحت و بہبود کو لاحق خطرات کو کم سے کم کرنے کے عزم پر قائم ہے۔ تمام کاروباری سرگرمیوں میں صحت اور حفاظت کے مناسب ضوابط پر عمل درآمد کیا جاتا ہے، جن کی معاونت کے لیے باقاعدگی سے آگاہی سیشنز اور حفاظتی مشقوں کا انعقاد کیا جاتا ہے تاکہ تیاری، قواعد کی پاسداری اور کام کی جگہ پر حفاظت کے مضبوط کچھ کو فروغ دیا جاسکے۔

کاروباری سماجی ذمہ داری (سی ایس آر):

کمپنی نے ماحولیاتی پائیداری، ملازمین کی فلاح و بہبود اور کمیونٹی کی بہتری کے لیے اپنی کارپوریٹ سماجی ذمہ داری (سی ایس آر) کی سرگرمیاں جاری رکھیں۔ ان میں شجرکاری کی سرگرمیاں، توانائی کے موثر استعمال کی مشقیں، صحت اور حفاظت کے اقدامات، اور تعلیم و تربیت (امدادی) سرگرمیوں کے لیے تعاون شامل تھا۔ اس کے علاوہ کمپنی اخلاقی کاروباری طریقوں کی پاسداری اور با احترام اور جامع ورک پلیس کے فروغ کے لیے بھی پرعزم رہی۔

ماحولیاتی، سماجی اور گورننس (ای ایس جی):

کمپنی اپنے کاروباری آپریشنز میں ماحولیات، سماجی اور گورننس (ای ایس جی) کے اصولوں کو شامل کرنے کے لیے پرعزم ہے، جن میں توانائی کی بچت، ملازمین کی فلاح و بہبود، کمیونٹی کے ساتھ وابستگی اور مضبوط گورننس کے طریقے شامل ہیں۔ یہ کوششیں پائیدار ترقی اور اسٹیک ہولڈرز کے لیے طویل المدتی قدر کی تخلیق کے حوالے سے کمپنی کے نقطہ نظر کی حمایت کرتی ہیں۔

ماحولیات پر کمپنی کے کاروبار کا اثر:

اپنے ماحولیاتی اثرات کو کم کرنے اور طویل مدتی پائیداری کو فروغ دینے کے نقطہ نظر سے، کمپنی پائیدار اور ذمہ دار انداز کاروباری طریقے اپنانے کے لیے پرعزم ہے۔ ان اقدامات میں کاغذ کے استعمال کے بغیر دفتری ماحول، توانائی کا تحفظ اور وسائل کا بہترین استعمال شامل ہے۔

اہم تبدیلیاں:

سال کے اختتام کے بعد لیز پر ایک اسپننگ یونٹ کے حصول سے متعلق پیش رفت کے علاوہ (جس کی تفصیل 'فیوچر آؤٹ لک' کے تحت درج ہے)، مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیانی عرصے میں کوئی ایسی بڑی تبدیلی یا مالی ذمہ داری سامنے نہیں آئی جس سے کمپنی کی مالی حالت پر اثر پڑتا ہو۔

مالی ریسک منجمنٹ:

کمپنی کو مارکیٹ، کریڈٹ اور لیویٹیڈ نیٹو ریسک سمیت مختلف مالیاتی خطرات لاحق ہیں۔ ان خطرات کو بورڈ آف ڈائریکٹرز کی منظور کردہ پالیسیوں کے فریم ورک کے تحت منظم کیا جاتا ہے، جس کا مقصد کمپنی کی مالی کارکردگی پر ممکنہ منفی اثرات کو کم کرنا ہے۔ یہ فریم ورک مجموعی ریسک منجمنٹ کے لیے رہنما اصول فراہم کرتا ہے، جن میں کرنسی، قیمت، سود، کریڈٹ اور لیویٹیڈ نیٹو ریسک شامل ہیں۔

مستقبل کے امکانات:

بورڈ حکمت عملی پر مبنی انتظام، آپریشنل استعداد اور وسائل کی منظم تقسیم کے ذریعے کمپنی کی آپریشنل اور مالیاتی کارکردگی کو بہتر بنانے پر توجہ مرکوز رکھے ہوئے ہے۔ کمپنی کو منافع بخشیتی کو مضبوط بنانے، خطرات کے انتظام اور پائیدار ترقی کی معاونت کے لیے حکمت عملیاں پر عمل پیرا ہے۔

اپنی کاروباری توسیع کی حکمت عملی کے تحت، سال کے اختتام کے بعد، بورڈ آف ڈائریکٹرز نے اپنے یکم اگست 2026 کو منظور شدہ اجلاس میں مارکیٹ کے مستقبل فریخ پر ایک اسپننگ یونٹ لیز پر حاصل کرنے کی منظوری دی، جس کا اطلاق اسی تاریخ سے ہوگا۔ توقع ہے کہ اس انتظام سے کمپنی کی آپریشنل استعداد میں اضافہ ہوگا اور اس کی مستقبل کی کاروباری سرگرمیوں کو تقویت ملے گی، جبکہ کمپنی موجودہ مارکیٹ حالات اور آپریٹنگ اخراجات کا بغور جائزہ لیتی رہے گی۔

مستقبل کی ترقی، کارکردگی اور ترقی کے محرکات:

کمپنی کی مستقبل کی کارکردگی پر مارکیٹ کی طلب، خام مال اور توانائی کی لاگت، ذریعہ کی شرح میں اتار چڑھاؤ اور پائیداری سے متعلق بدلے ہوئے تقاضے اثر انداز ہوتے رہیں گے۔ اس کے ساتھ ساتھ، کمپنی پائیدار ترقی کی معاونت کے لیے آپریشنل استعداد میں بہتری، اپنی دستیاب پیداواری صلاحیت کے بہترین استعمال اور تنوع و ویلیو ایڈیشن کے مواقع تلاش کرنے پر توجہ مرکوز رکھے ہوئے ہے۔

منافع ادا کیا:

بورڈ نے کمپنی کے مستقبل کے کاروباری منصوبوں اور آپریشنل ضروریات کے پیش نظر سال کے لیے کسی ڈیویڈنڈ کی سفارش نہیں کی اور دستیاب فنڈز کو ورکنگ کپٹل، کاروباری توسیع اور پائیدار ترقی کی معاونت کے لیے محفوظ رکھا ہے۔

فی حصص منافع:

30 جون 2026 کو ختم ہونے والے سال کے لیے بنیادی فی حصص آمدنی 5.80 روپے رہی جبکہ گزشتہ سال یہ 7.78 روپے تھی۔

کلیدی آپریشننگ اور مالی اعداد و شمار:

گزشتہ چھ سالوں کی اہم آپریشننگ اور مالیاتی معلومات خلاصے کی صورت میں منسلک ہیں۔

بیرونی آڈیٹرز:

موجودہ آڈیٹرز، میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اہل ہونے کی بنا پر انہوں نے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔ آڈٹ کمپنی نے ان کی دوبارہ تقرری کی سفارش کی ہے، اور بورڈ آف ڈائریکٹرز نے 30 جون 2027 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی توثیق کی ہے۔

شیئر ہولڈرز کی ترتیب:

30 جون 2026 کی شیئر ہولڈرز کی ترتیب لف ہے۔

کوڈ آف کارپوریٹ گورننس:

لنڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی قیام کا بیان، اس پر آڈیٹرز کی جائزہ رپورٹ کے ہمراہ، اس سال لنڈ رپورٹ کا حصہ ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کا بیانیہ:

ڈائریکٹرز تصدیق کرتے ہوئے خوشی محسوس کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی صورتحال، آپریشنز کے نتائج، کیش فلو (نقد بہاؤ) اور ایکٹیوٹی میں تبدیلیوں کو منصفانہ انداز میں پیش کرتے ہیں۔
- کمپنی کے مناسب اکاؤنٹ کی کتابیں (بکس آف اکاؤنٹ) رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے، اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔
- پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (آئی ایف آر ایس / آئی ایف آر ایس) کی بیرونی مالیاتی گوشواروں کی تیاری میں کی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور نگرانی کیا جا رہا ہے۔
- کمپنی کے گولنگ کنسرن (جاری رہنے والی کاروباری ادارے) کے طور پر کام جاری رکھنے کی صلاحیت میں کوئی اہم شک و شبہ نہیں ہے۔
- متعلقہ فریقوں (ریلیٹڈ پارٹیز) کے ساتھ تمام لین دین قابل اطلاق تقاضوں کے مطابق کیے گئے ہیں اور مالیاتی گوشواروں کے متعلقہ نوٹس میں مناسب طور پر انکشاف کیا گیا ہے۔
- کمپنی کے پاس ڈائریکٹرز کے معاوضے کا تعین کرنے کے لیے شفاف طریقہ کار کو یقینی بنانے کی پالیسی موجود ہے، اور کوئی بھی ڈائریکٹر اپنے معاوضے کے تعین میں حصہ نہیں لیتا۔ ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے معاوضے کی تفصیلات مالیاتی گوشواروں کے نوٹ 28 میں بیان کی گئی ہیں۔

بورڈ کی ترتیب:

30 جون 2026 تک بورڈ آف ڈائریکٹرز مندرجہ ذیل پر مشتمل ہے

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 ارتج 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 سال کے دوران چار اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی جانب سے شرکت کیے گئے اجلاسوں کی تعداد درج ذیل ہے:

ڈائریکٹر کے نام	حاضری
جناب محمد اشرف	04
جناب محمد اقبال	04
جناب ذیشان سعید	04
جناب زاہد علی	04
جناب قاسم علی	04
مس ارتج طارق	04
جناب قیصر ناصر	04

بورڈ کی کمیٹیوں کے اجلاس اور حاضری:

سال کے دوران بورڈ کی کمیٹیوں کی تشکیل اور ان کے متعلقہ ارکان کی حاضری کی تفصیل درج ذیل تھی:

ڈائریکٹر کا نام	آڈٹ کمیٹی کے اجلاس	ایچ آر اور معاوضہ کمیٹی کے اجلاس	نامزدگی کمیٹی کے اجلاس	رہنما کمیٹی کے اجلاس	پائیداری کمیٹی کے اجلاس
جناب محمد اشرف	04	لاگو نہیں	01	01	لاگو نہیں
جناب محمد اقبال	لاگو نہیں	01	لاگو نہیں	01	01
جناب زاہد علی	04	لاگو نہیں	01	01	لاگو نہیں
جناب قاسم علی	لاگو نہیں	01	01	لاگو نہیں	01
مس ارتج طارق	04	لاگو نہیں	لاگو نہیں	لاگو نہیں	لاگو نہیں
جناب قیصر ناصر	لاگو نہیں	01	لاگو نہیں	لاگو نہیں	01

ڈائریکٹر کا معاوضہ:

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کے تعین کے لیے ایک پالیسی کی منظوری دی ہے۔ اس پالیسی کی اہم خصوصیات مندرجہ ذیل ہیں:

- غیر ایگزیکٹو ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے علاوہ کوئی بھی معاوضہ حاصل کرنے کا حق نہیں ہے۔
- ڈائریکٹرز کا معاوضہ اور اجلاس فیس بورڈ آف ڈائریکٹرز کے ذریعے طے اور منظور کی جاتی ہے۔ معاوضے کا ہیکسج بورڈ میں مناسب امیدواروں اور ہنرمند افراد کو راغب کرنے کے لیے ڈیزائن کیا گیا ہے۔
- کوئی بھی ڈائریکٹر اپنے اپنے معاوضے کے تعین میں حصہ نہیں لیتا۔

داخلی اور مالیاتی اقدامات کا توازن:

بورڈ آف ڈائریکٹرز نے اندرونی اور مالیاتی کنٹرولز کا ایک مؤثر نظام قائم کیا ہے، جس کا مقصد درج ذیل امور کو یقینی بنانا ہے:

- مؤثر اور کارآمد کاروباری سرگرمیاں؛
 - کمپنی کے اثاثوں کا تحفظ؛
 - قابل اطلاق قوانین اور ضوابط کی پابندی؛ اور
 - قابل اعتماد مالیاتی رپورٹنگ۔
- اندرونی آڈٹ کا شعبہ باقاعدگی سے اندرونی کنٹرولز کی موثریت اور طے شدہ پالیسیوں اور طریقہ کار پر عمل درآمد کا جائزہ لیتا ہے۔ آڈٹ رپورٹس منظور شدہ آڈٹ پلان کے مطابق آڈٹ کمیٹی کے سامنے پیش کی جاتی ہیں تاکہ کمیٹی ان کا جائزہ لے اور نگرانی کر سکے۔

سالانہ بورڈ کی کارکردگی کا جائزہ:

بورڈ بہتر کارپوریٹ حکمرانی کے لیے کارکردگی کے جائزے کو ایک لازمی جزو سمجھتا ہے۔ اسی مناسبت سے، متعلقہ طریقہ کار کے طریقہ ہائے کارپوریٹ کمیٹی کے داخلی سوالناموں کے ذریعے بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی کا سالانہ جائزہ لیا جاتا ہے۔ جائزے کی خلاصہ رپورٹ کمیٹی سیکریٹری کی جانب سے بحث اور غور و خوض کے لیے بورڈ کے سامنے پیش کی جاتی ہے۔ بورڈ ڈائریکٹرز کی قابل قدر خدمات کا اعتراف اور قدر کرتا ہے اور کمیٹی کی مسلسل پیش رفت اور پائیدار ترقی کے لیے ان کے آئندہ تعاون کا منتظر ہے۔

اعتراف:

بورڈ کمیٹی کے ملازمین کی لگن اور عزم پر وہی طور پر ان کا شکریہ ادا کرتا ہے، اور حصص داروں، قرض دہندگان اور دیگر اسٹیک ہولڈرز کے مسلسل اعتماد و تعاون اور حمایت کے لیے ان کا ممنون ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے:

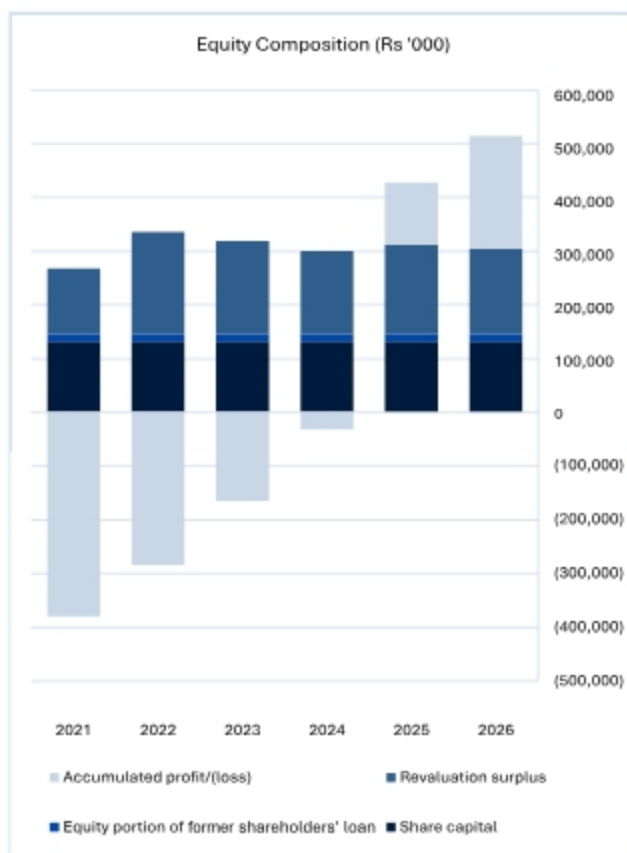
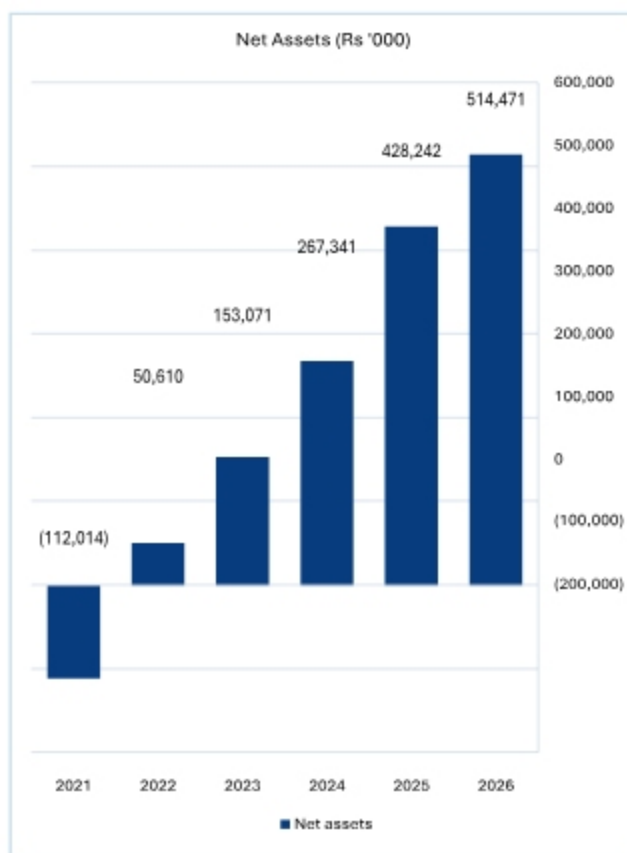
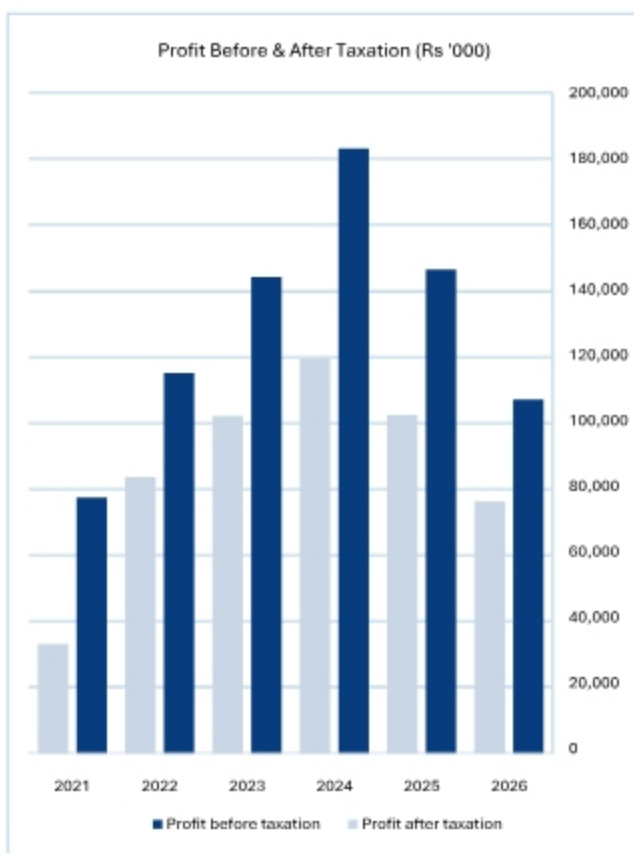
فیصل آباد
29 ستمبر 2026

جناب ذیشان سعید
ڈائریکٹر

محمد اقبال
چیف ایگزیکٹو آفیسر

KEY OPERATING AND FINANCIAL DATA

	2026	2025	2024	2023	2022	2021
	(RUPEES IN THOUSAND)					
Summary of Statement of Profit or Loss						
Profit before taxation	107,163	146,547	183,127	144,325	115,212	77,476
Taxation and levy	(30,742)	(44,028)	(63,681)	(41,950)	(31,648)	(44,264)
Profit after taxation	76,421	102,519	119,446	102,375	83,564	33,212
Summary of Statement of Financial Position						
Total assets	965,688	890,807	726,514	564,702	578,564	516,401
Long term financing / loans	-	-	-	-	-	19,841
Staff retirement gratuity	105,024	88,615	73,193	51,793	35,039	23,772
Deferred income tax liability	38,918	48,620	58,434	56,397	70,280	57,477
Long term security deposits	-	-	30,000	30,000	30,000	30,000
Current liabilities	307,275	325,330	297,546	273,441	392,635	497,325
Net assets	514,471	428,242	267,341	153,071	50,610	(112,014)
Represented by:						
Share capital	131,748	131,748	131,748	131,748	131,748	131,748
Equity portion of former shareholders' loan	13,335	13,335	13,335	13,335	13,335	13,335
Surplus on revaluation of property, plant and equipment - net of deferred income tax	159,046	166,590	155,274	173,500	190,208	122,679
Accumulated profit/(loss) - net off equity portion of former shareholders' loan	210,342	116,569	(33,016)	(165,512)	(284,681)	(379,776)
	514,471	428,242	267,341	153,071	50,610	(112,014)



STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company:

Arctic Textile Mills Limited

Year Ending:

30 June 2026

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 (female) 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. The Board is fully compliant with Rule 19 of the Regulations regarding Directors ' training program for the directors, female executive and heads of department of the Company.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Mr. Zahid Ali	Chairman
Mr. Qaiser Nasir	Member
Mr. Muhammad Ashraf	Member

b) HR and Remuneration Committee

Mr. Qasim Ali	Chairman
Miss Areej Tariq	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
Miss Areej Tariq	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 2026
 - b) HR and Remuneration Committee: One meeting during the financial year ended 30 June 2026
 - c) Nomination Committee: One meeting during the financial year ended 30 June 2026
 - d) Risk Management Committee: One meeting during the financial year ended 30 June 2026
 - e) Sustainability Committee: One meeting during the financial year ended 30 June 2026

15. The Board has set up an effective internal audit function.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with; except for the independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5.



Muhammad Iqbal
Chief Executive Officer



Muhammad Ashraf
Chairman

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 2026 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 2026.



RIAZ AHMAD & COMPANY

Chartered Accountants

Faisalabad

Date: 29 September 2026

UDIN: CR2026101585eTSZaCy9



03 | FINANCIAL STATEMENTS

INDEPENDENT
AUDITOR'S REPORT
TO THE MEMBERS

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INDEPENDENT AUDITOR'S REPORT

To the members of Arctic Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Arctic Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2026, 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 2026 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.

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 1,901.268 million for the year ended 30 June 2026. 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 recognition (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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 2026

UDIN: AR202610158dfMubHqNA

**STATEMENT OF
FINANCIAL POSITION**
AS AT 30 JUNE 2026

	NOTE	2026 (RUPEES IN THOUSAND)	2025
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (2025: 30 000 000) ordinary shares of Rupees 10 each		300,000	300,000
Issued, subscribed and paid up share capital			
13 174 800 (2025: 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	159,046	166,590
		172,381	179,925
Revenue reserve			
Unappropriated profit		210,342	116,569
Total Reserves		382,723	296,494
TOTAL EQUITY		514,471	428,242
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income tax liability	5	38,918	48,620
Staff retirement gratuity	6	105,024	88,615
		143,942	137,235
CURRENT LIABILITIES			
Trade and other payables	7	206,259	325,330
Accrued mark-up	24	1,016	-
Short term borrowings	8	100,000	-
		307,275	325,330
TOTAL LIABILITIES		451,217	462,565
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		965,688	890,807

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	NOTE	2026 (RUPEES IN THOUSAND)	2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	672,108	597,748
Long term deposits and prepayment	11	14,697	26,720
		686,805	624,468
CURRENT ASSETS			
Stores, spare parts and loose tools	12	60,705	66,920
Trade debts	13	81,345	46,541
Loans and advances	14	3,793	3,278
Advance taxation and levy - net	15	23,746	21,237
Short term deposits, prepayment and other receivables	16	51,534	45,077
Cash and bank balances	17	57,760	83,286
		278,883	266,339
TOTAL ASSETS		965,688	890,807



CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2026

	NOTE	2026 (RUPEES IN THOUSAND)	2025
REVENUE FROM CONTRACTS WITH CUSTOMERS	18	1,901,268	2,732,954
COST OF SALES	19	(1,736,801)	(2,532,591)
GROSS PROFIT		164,467	200,363
DISTRIBUTION COST	20	(6,042)	(5,939)
ADMINISTRATIVE EXPENSES	21	(51,533)	(42,390)
OTHER EXPENSES	22	(8,449)	(12,180)
		(66,024)	(60,509)
		98,443	139,854
OTHER INCOME	23	10,949	8,880
PROFIT FROM OPERATIONS		109,392	148,734
FINANCE COST	24	(2,229)	(2,187)
PROFIT BEFORE LEVY AND TAXATION		107,163	146,547
LEVY		-	-
PROFIT BEFORE TAXATION		107,163	146,547
TAXATION	25	(30,742)	(44,028)
PROFIT AFTER TAXATION		76,421	102,519
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	26	5.80	7.78

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 2026

	NOTE	2026 (RUPEES IN THOUSAND)	2025
PROFIT AFTER TAXATION		76,421	102,519
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Surplus on revaluation of property, plant and equipment		-	62,995
Related deferred income tax liability		-	(9,584)
		-	53,411
Remeasurement gain arising on staff retirement gratuity	6.3	9,647	7,205
Related deferred income tax liability	5.1	(2,798)	(2,234)
		6,849	4,971
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year - net of deferred income tax		6,849	58,382
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		83,270	160,901

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 2026

	RESERVES					TOTAL	TOTAL EQUITY
	CAPITAL		REVENUE				
	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 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	107,480	160,901	160,901
Balance as at 30 June 2025	131,748	13,335	166,590	179,925	116,569	296,494	428,242
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(10,503)	(10,503)	10,503	-	-
Adjustment of deferred income tax liability due to remeasurement at period end	-	-	2,959	2,959	-	2,959	2,959
Profit for the year	-	-	-	-	76,421	76,421	76,421
Other comprehensive income for the year	-	-	-	-	6,849	6,849	6,849
Total comprehensive income for the year	-	-	-	-	83,270	83,270	83,270
Balance as at 30 June 2026	131,748	13,335	159,046	172,381	210,342	382,723	514,471

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 2026

	NOTE	2026 (RUPEES IN THOUSAND)	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levy and taxation		107,163	146,547
Adjustments for non-cash charges and other items:			
Depreciation	10.1.3	51,818	46,693
Provision for staff retirement gratuity	6.2	40,852	36,336
Liability transferred from other company	6.1	9,164	1,532
Liability transferred to other company	6.1	(5,206)	(1,039)
Gain on sale of property, plant and equipment		-	(7,767)
Finance cost	24	2,229	2,187
		206,020	224,489
Working capital changes			
Decrease / (increase) in current assets:			
Stores, spare parts and loose tools		6,215	12,801
Trade debts		(34,804)	19,945
Loans and advances		(515)	(226)
Short term deposits, prepayment and other receivables		(6,457)	9,823
		(35,561)	42,343
(Decrease) / increase in trade and other payables		(121,873)	30,342
Cash generated from operations		48,586	297,174
Finance cost paid		(789)	(1,612)
Security deposit paid		-	(30,000)
Staff retirement gratuity paid	6.1	(16,376)	(13,429)
Net decrease / (increase) in long term deposits and prepayment		12,023	(15,530)
Income tax paid		(42,792)	(90,803)
Net cash generated from operating activities		652	145,800
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(126,178)	(130,220)
Proceeds from sale of property, plant and equipment		-	55,101
Net cash used in investing activities		(126,178)	(75,119)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings	8	100,000	-
Net cash from financing activities		100,000	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(25,526)	70,681
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		83,286	12,605
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	57,760	83,286

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 2026

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 is situated at P-102, Jail Road, Faisalabad. The Company manufactures and deals in all types of yarn and also deals in trading of fabric / made ups. The manufacturing facility of the Company is situated at 35 Kilometers, Main Sheikhpura Road, Mouza Johal, Tehsil Jaranwala, District Faisalabad.

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:

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications 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

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are renewed on an ongoing basis. Revisions to estimates are recognized prospectively. 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 recognized 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 standard are mandatory for the Company's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability. The above-mentioned amendments to approved accounting standard 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 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.

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

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2026 or later periods:

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 new 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'.

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, for mandatory disclosures, the effective date is for annual reporting periods beginning on or after 01 July 2031 as per ESG Disclosure Guidelines for Listed Companies dated 11 December 2025 issued by SECP.

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 and its accompanying Guidance on implementing IFRS 7;
- * IFRS 9 Financial Instruments; and
- * IAS 7 Statement of Cash flows.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Contracts Referencing Nature-dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

The above standards, amendments and improvements 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 2026 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.

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 operating fixed assets 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 10.1. 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

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. These are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of borrowing using 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 borrowings are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such borrowings. 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 the Company has a possible asset that arises from past events and 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. Contingent assets are not recognized until their realization becomes 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 sufficient reliability.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

- 3.1** This represents 13 174 800 (2025: 13 174 800) ordinary shares of Rupees 10 each fully paid up in cash. 4 546 500 ordinary shares (2025: 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 dividend as declared from time to time and are also entitled to one vote per share at general meetings of the Company.

2026	2025
(RUPEES IN THOUSAND)	

4. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX

Balance as on 01 July	166,590	155,274
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	2,959	-
	2,959	53,411
Less:		
Surplus transferred to unappropriated profit on disposal of property, plant and equipment - net of deferred income tax	-	(29,553)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	(10,503)	(12,542)
	(10,503)	(42,095)
Balance as on 30 June	159,046	166,590

- 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.

2026
(RUPEES IN THOUSAND)

2025

5. DEFERRED INCOME TAX LIABILITY

Taxable temporary difference:

Accelerated tax depreciation	69,375	76,754
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Deductible temporary differences:

Staff retirement gratuity	30,457	27,471
Allowance for expected credit losses	-	663

	30,457	28,134
--	--------	--------

Deferred income tax liability	38,918	48,620
-------------------------------	--------	--------

5.1 Movement in deferred income tax liability balance is as follows:

	2026		
	Balance as on 01 July	Recognized in statement of profit or loss	Recognized in other comprehensive income
	Balance as on 30 June		
	------(RUPEES IN THOUSAND)-----		
Accelerated tax depreciation	76,754	(4,420)	(2,959)
Staff retirement gratuity	(27,471)	(5,784)	2,798
Allowance for expected credit losses	(663)	663	-
	48,620	(9,541)	(161)
			38,918

	2025		
	Balance as on 1 July	Recognized in statement of profit or loss	Recognized in other comprehensive income
	Balance as on 30 June		
	------(RUPEES IN THOUSAND)-----		
Accelerated tax depreciation	81,787	(14,617)	9,584
Staff retirement gratuity	(22,690)	(7,015)	2,234
Allowance for expected credit losses	(663)	-	-
	58,434	(21,632)	11,818
			48,620

6. STAFF RETIREMENT GRATUITY

The latest actuarial valuation of the staff retirement gratuity was conducted on 30 June 2026 using the Projected Unit Credit Actuarial Cost Method.

	2026 (RUPEES IN THOUSAND)	2025
6.1 Movement in the present value of staff retirement gratuity		
Balance at the beginning of the year	88,615	73,193
Add:		
Provision for the year (Note 6.2)	40,852	36,336
Remeasurements recognized in other comprehensive income (Note 6.3)	(9,647)	(7,205)
Liability transferred from other company	9,164	1,532
	128,984	103,856
Less:		
Payments made during the year	(16,376)	(13,429)
Liability transferred to other company	(5,206)	(1,039)
Increase in current liability - net (Note 7.2)	(2,378)	(773)
	(23,960)	(15,241)
Balance at the end of the year	105,024	88,615
6.2 Provision for the year		
Current service cost	31,542	26,587
Interest cost	9,310	9,749
	40,852	36,336
6.2.1 Provision for the year has been allocated as follows:		
Cost of sales (Note 19)	36,433	32,332
Distribution cost (Note 20)	334	370
Administrative expenses (Note 21)	4,085	3,634
	40,852	36,336
6.3 Remeasurements recognized in other comprehensive income		
Actuarial gain from changes in financial assumptions	-	(892)
Experience adjustments	(9,647)	(6,313)
	(9,647)	(7,205)

2026	2025
(RUPEES IN THOUSAND)	

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

Present value of defined benefit obligation as at 01 July	88,615	73,193
Current service cost	31,542	26,587
Interest cost	9,310	9,749
Liability transferred to other company	(5,206)	(1,039)
Liability transferred from other company	9,164	1,532
Benefits paid during the year	(16,376)	(13,429)
Benefits due but not yet paid	(2,378)	(773)
Experience adjustments	(9,647)	(6,313)
Actuarial gain from changes in financial assumptions	-	(892)
Present value of defined benefit obligation as at 30 June	105,024	88,615

6.5 Principal actuarial assumptions used

Discount rate for interest cost in profit or loss charge	11.75%	14.75%
Discount rate for year end obligation	11.75%	11.75%
Expected rate of increase in salary (per annum)	10.75%	10.75%
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:

	2026	2025
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(5,854)	(4,943)
Decrease in assumption (Rupees in thousand)	6,618	5,599
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	6,922	5,860
Decrease in assumption (Rupees in thousand)	(6,239)	(5,273)

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:

	2026 (RUPEES IN THOUSAND)	2025
Year(s)		
2026	-	20,457
2027	23,253	19,431
2028	23,166	23,013
2029 to 2035	148,145	129,766
2036 and onwards	1,000,489	921,713

6.8 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 June 2027 are Rupees 41.512 million.

6.9 Risks associated with the scheme

Final salary risk (linked to inflation risk)

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

Demographic risks

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

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

7. TRADE AND OTHER PAYABLES

Creditors	66,893	118,742
Gas Infrastructure Development Cess (GIDC) payable (Note 7.1)	11,348	11,348
Accrued liabilities (Note 7.2)	105,049	167,188
Income tax deducted at source	218	393
Sales tax payable	1,254	7,167
Workers' profit participation fund (Note 7.3)	9,148	10,930
Workers' welfare fund (Note 7.4)	12,349	9,562
	206,259	325,330

- 7.1** 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.
- 7.2** These include gratuity payable due but not paid to employees as given in Note 6.1, amounting to Rupees 2.378 million (2025: Rupees 0.773 million).

7.3 Workers' profit participation fund

	2026 (RUPEES IN THOUSAND)	2025
Balance as on 01 July	10,930	12,057
Add: Provision for the year (Note 22)	5,662	7,965
Add: Interest for the year (Note 24)	424	575
	17,016	20,597
Less: Payments made during the year	7,868	9,667
Balance as on 30 June	9,148	10,930

- 7.3.1** 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.

7.4 Workers' welfare fund

Balance as on 01 July	9,562	13,171
Add: Provision for the year (Note 22)	2,787	4,215
	12,349	17,386
Less: Payments made during the year	-	7,824
Balance as on 30 June	12,349	9,562

8. SHORT TERM BORROWINGS

From banking company - secured

Running finance (Note 8.1)	100,000	-
	100,000	-

- 8.1** The finance is obtained from The Bank of Punjab under mark-up arrangement against facility of Rupees 100 million (2025: Rupees Nil) and is secured against corporate guarantee of Beacon Impex (Private) Limited - an associate and personal guarantee of all sponsoring directors of the Company. Further, it is secured against mortgage of land and building of the Company. Rate of mark-up is 13.73% (2025: Nil) per annum on the balance outstanding.
- 8.2** The main facility of letter of guarantee is amounting to Rupees 65.000 million (2025: Rupees 20.000 million). The amount utilized at 30 June 2026 was Rupees 20.000 million (2025: Rupees 20.000 million). Securities of this facility is the same as mentioned in Note 8.1.

9. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 20 million (2025: 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 35.044 million (2025: Rupees 25.750 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, challenging the imposition of a gas levy amounting to Rupees 41.469 million on the captive power plants under the Off-the-Grid (Captive Power Plants) Levy Ordinance, 2025. On 12 February 2026, Honorable Lahore High Court, Lahore decided the petition in favour of the Company and directed Sui Northern Gas Pipelines Limited (SNGPL) to adjust any amount collected in respect thereof. However, Federal Government, through the Ministry of Energy (Petroleum Division), filed an appeal against this order on 31 March 2026 before Federal Constitutional Court of Pakistan (FCC), Islamabad. Keeping in view the advice of the Company's legal counsel, there are strong grounds for a positive decision of appeal in favour of the Company.
- iv) The Company filed writ petition in Honorable Lahore High Court, Lahore on 13 January 2026, against the recovery of arrears of Regasified Liquefied Natural Gas (RLNG) tariff having collective amount of Rupees 12.765 million on arrears of RLNG tariff pertaining to the period of April 2015 to March 2024. The Company has given the post-dated cheques of Rupees 2.911 million against this matter to SNGPL uptill 30 June 2026. On advice of legal counsel, in view of possible favourable outcome, no provision is accounted for in these financial statements.

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 77.043 million (2025: Rupees 50.628 million) which are to be paid within one year (2025: within one year).

2026	2025
(RUPEES IN THOUSAND)	

10. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 10.1)	579,915	597,748
Capital work-in-progress (Note 10.2)	92,193	-
	<u>672,108</u>	<u>597,748</u>

10.1 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings on freehold land	Plant and machinery	Furniture and fixtures	Vehicles	Power generation house	Electric installations	Factory equipment	Total
	RUPEES IN THOUSAND								
At 30 June 2024									
Cost / revalued amount	53,462	152,966	744,175	1,281	25,083	92,935	37,379	6,115	1,113,396
Accumulated depreciation	-	(49,930)	(453,233)	(1,100)	(19,606)	(59,926)	(25,308)	(5,733)	(614,836)
Net book value	53,462	103,036	290,942	181	5,477	33,009	12,071	382	498,560
Year ended 30 June 2025									
Opening net book value	53,462	103,036	290,942	181	5,477	33,009	12,071	382	498,560
Additions	-	14,219	108,705	62	-	7,195	39	-	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
Depreciation charge	-	(12,377)	(47,334)	(19)	(1,095)	(3,543)	(1,209)	(38)	(47,334)
Closing net book value	85,540	135,040	324,656	224	4,382	36,661	10,901	344	597,748
At 30 June 2025									
Cost / revalued amount	85,540	197,347	630,044	1,343	25,083	100,130	37,418	6,115	1,083,020
Accumulated depreciation	-	(62,307)	(305,388)	(1,119)	(20,701)	(63,469)	(26,517)	(5,771)	(485,272)
Net book value	85,540	135,040	324,656	224	4,382	36,661	10,901	344	597,748
Year ended 30 June 2026									
Opening net book value	85,540	135,040	324,656	224	4,382	36,661	10,901	344	597,748
Additions	-	1,829	31,881	-	-	-	-	275	33,985
Depreciation charge	-	(13,549)	(32,579)	(22)	(876)	(3,666)	(1,090)	(36)	(51,818)
Closing net book value	85,540	123,320	323,958	202	3,506	32,995	9,811	563	579,915
At 30 June 2026									
Cost / revalued amount	85,540	199,176	661,925	1,343	25,083	100,130	37,418	6,390	1,117,005
Accumulated depreciation	-	(75,856)	(337,967)	(1,141)	(21,577)	(67,135)	(27,607)	(5,807)	(537,090)
Net book value	85,540	123,320	323,958	202	3,506	32,995	9,811	563	579,915
Annual rate of depreciation (%)	-	10	10	10	20	10	10	10	10

10.1.1 During the year two classes of assets 'Office Equipment' and 'Electric Equipment and Appliances' have been merged into the class of asset 'Electric Installations' for better presentation.

10.1.2 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	80,516	43,313	37,203
Plant and machinery	359,784	79,018	280,766
Power generation house	88,027	58,857	29,170
2026	549,346	181,188	368,158
2025	515,636	146,186	369,450

2026 2025
(RUPEES IN THOUSAND)

10.1.3 Depreciation charged during the year has been allocated as follows:

Cost of sales (Note 19)	50,828	45,482
Administrative expenses (Note 21)	990	1,211
	<u>51,818</u>	<u>46,693</u>

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

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

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

10.2 Capital work-in-progress

	Power generation	Electric installations	Total
	----- (RUPEES IN THOUSAND) -----		
Balance as at 30 June 2025	-	-	-
Additions during the year	64,693	27,500	92,193
Balance as at 30 June 2026	64,693	27,500	92,193

	2026 (RUPEES IN THOUSAND)	2025
11 LONG TERM DEPOSITS AND PREPAYMENT		
Security deposits (Note 11.1)	33,055	28,720
Prepayment	73	91
	<u>33,128</u>	<u>28,811</u>
Less: Current portion shown under current assets (Note 16)	18,431	2,091
	<u>14,697</u>	<u>26,720</u>

11.1 These mainly include security deposits with different utility companies.

12. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	23,789	32,422
Spare parts	36,574	34,163
Loose tools	342	335
	<u>60,705</u>	<u>66,920</u>

13. TRADE DEBTS		
Considered good:		
<i>Unsecured</i>		
Related party (Note 13.1)	-	19,395
Others	81,345	29,284
	<u>81,345</u>	<u>48,679</u>
Less: Allowance for expected credit losses (Note 13.2)	-	2,138
	<u>81,345</u>	<u>46,541</u>

13.1 This represented amount due from Beacon Impex (Private) Limited, an associate. The receivable balance was 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 94.600 million (2025: Rupees 115.990 million).

13.2 Allowance for expected credit losses:

Balance as on 01 July	2,138	2,138
Less: Write off during the year	(2,138)	-
Balance as at 30 June	<u>-</u>	<u>2,138</u>

13.3 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. Moreover all trade debts are located in Pakistan.

2026 **2025**
(RUPEES IN THOUSAND)

14. LOANS AND ADVANCES

Considered good:

Employees - interest free:

- Executive

 against salary (Note 14.1)

572

-

- Other employees

 against salary (Note 14.1)

2,031

2,361

 against expenses

768

478

2,799

2,839

Advances to suppliers

422

439

3,793

3,278

- 14.1** 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.

15. ADVANCE TAXATION AND LEVY - NET

Advance income tax - net

Advance income tax

64,161

89,886

Provision for taxation

(40,415)

(68,649)

23,746

21,237

16. SHORT TERM DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

Considered good:

Security deposit

10,292

10,290

Other receivables (Note 16.1)

11,235

32,696

Current portion of long term deposits and prepayment (Note 11)

18,431

2,091

Sales tax refundable

11,576

-

51,534

45,077

- 16.1** These include Rupees 11.235 million (2025: 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. CASH AND BANK BALANCES

With banks:

on current accounts

47,309

48,767

on saving account (Note 17.1)

9,863

34,126

57,172

82,893

Cash in hand

588

393

57,760

83,286

- 17.1 Rate of profit on saving account was ranging from 6.00% to 6.50% (2025: 6.50% to 19.00%) per annum.

	2026 (RUPEES IN THOUSAND)	2025
18. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Conversion and doubling income	2,243,496	3,224,886
Less: Sales tax	(342,228)	(491,932)
	<u>1,901,268</u>	<u>2,732,954</u>

- 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.

19. COST OF SALES		
Salaries, wages and other benefits	708,768	937,242
Staff retirement benefit (Note 6.2.1)	36,433	32,332
Fuel and power	693,385	949,982
Telephone	876	1,176
Stores, spare parts and loose tools consumed	51,104	161,492
Packaging materials and other charges	64,259	135,927
Repair and maintenance	11,667	31,868
Travelling and conveyance	12,301	21,844
Transportation and handling	1,178	7,317
Rent, rates and taxes (Note 19.1)	84,000	167,917
Other factory overheads	15,558	32,184
Insurance	6,444	7,828
Depreciation (Note 10.1.3)	50,828	45,482
	<u>1,736,801</u>	<u>2,532,591</u>

- 19.1 These represent rent in respect of short term leases.

20. DISTRIBUTION COST		
Salaries and other benefits	5,708	3,480
Staff retirement benefit (Note 6.2.1)	334	370
Outward freight and handling	-	2,089
	<u>6,042</u>	<u>5,939</u>

21. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	23,839	21,650
Staff retirement benefit (Note 6.2.1)	4,085	3,634
Travelling and conveyance	409	469
Advertisement, printing and stationery	840	800
Electricity, sui gas and water	156	660
Postage and telephone	513	438
Rent, rates and taxes (Note 21.1)	7,138	1,287
Repair and maintenance	4,073	3,737
Auditor's remuneration (Note 21.2)	2,036	1,763

		2026	2025
		(RUPEES IN THOUSAND)	
	Legal and professional	4,273	2,680
	Fee, subscription and periodicals	1,772	2,625
	Entertainment	370	430
	Others	1,039	1,006
	Depreciation (Note 10.1.3)	990	1,211
		<u>51,533</u>	<u>42,390</u>
21.1	These include rent in respect of short term leases amounting to Rupees 1.200 million (2025: Rupees 1.287 million).		
21.2	Auditor's remuneration		
	Statutory audit	1,250	1,150
	Other certifications including half yearly review	510	500
	Out of pocket expenses	150	30
	Sales tax	126	83
		<u>2,036</u>	<u>1,763</u>
22.	OTHER EXPENSES		
	Workers' profit participation fund (Note 7.3)	5,662	7,965
	Workers' welfare fund (Note 7.4)	2,787	4,215
		<u>8,449</u>	<u>12,180</u>
23.	OTHER INCOME		
	Income from financial assets		
	Profit on saving account	1,270	1,113
	Income from non - financial assets		
	Sale of scrap	9,679	-
	Gain on sale of property, plant and equipment	-	7,767
		<u>9,679</u>	<u>7,767</u>
		<u>10,949</u>	<u>8,880</u>
24.	FINANCE COST		
	Interest on workers' profit participation fund (Note 7.3)	424	575
	Bank charges and commission	789	1,612
	Mark-up on short term borrowings	1,016	-
		<u>2,229</u>	<u>2,187</u>

	2026 (RUPEES IN THOUSAND)	2025
25. TAXATION		
Current (Note 25.1)	40,415	65,679
Prior year adjustment	(132)	(19)
Deferred (Note 5.1)	(9,541)	(21,632)
	<u>30,742</u>	<u>44,028</u>

25.1 Provision for current tax represents corporate tax under Income Tax Ordinance, 2001.

25.2 Reconciliation between tax expense and accounting profit

Profit before taxation	107,163	146,547
Tax on accounting profit @ 29% (2025: 29%)	31,077	42,499
Tax effect of super tax	-	4,237
Tax effect of prior year adjustment	(132)	(19)
Tax effect arising as a consequence of recognition of deferred income tax	(9,541)	(21,632)
Tax effect of expenses / income that are not considered in determining taxable liability	9,338	18,943
	<u>30,742</u>	<u>44,028</u>

26. EARNINGS PER SHARE - BASIC AND DILUTED

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

	2026	2025
Profit after taxation attributable to ordinary (Rupees in thousand)	76,421	102,519
Weighted average number of ordinary shares (Numbers)	13 174 800	13 174 800
Earnings per share (Rupees)	5.80	7.78

27. RECONCILIATION OF MOVEMENT OF LIABILITY TO CASH FLOWS ARISING FROM FINANCING ACTIVITY

	2026
	Liability from financing activity
	Short term borrowings
	(RUPEES IN THOUSAND)
Balance as at 30 June 2025	-
Borrowings obtained	100,000
Balance as at 30 June 2026	<u>100,000</u>

28. 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	2026			2025		
	Chief Executive Officer	Director (Note 28.1)	Executives	Chief Executive Officer	Director (Note 28.1)	Executives
(RUPEES IN THOUSAND)						
Managerial remuneration	833	1,143	10,544	833	1,143	16,223
Allowances						
House rent	333	457	4,218	333	457	6,489
Others	83	114	5,750	83	114	9,314
Payment of staff retirement gratuity	-	-	3,158	-	-	821
	1,249	1,714	23,670	1,249	1,714	32,847
Number of persons	1	1	5	1	1	8

- 28.1** The director's remuneration is paid to Mr. Zeeshan Saeed.
- 28.2** The executives are provided with fuel reimbursement, free residence and mobile phone expenses reimbursement.
- 28.3** Aggregate amount charged in these financial statements for meeting fee to 7 (2025: 7) directors, including Chief Executive Officer of the Company was Rupees 0.875 million (2025: Rupees 1.031 million).
- 28.4** Apart from meeting fee mentioned in Note 28.3, no remuneration was paid to non-executive directors of the Company.

29. NUMBER OF EMPLOYEES

	2026	2025
Number of employees as at 30 June	937	955
Average number of employees during the year	936	1,450

30. TRANSACTIONS WITH RELATED PARTIES

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

	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
Transactions with associate		
Purchase of goods and other shared services	115,581	371,475
Revenue from conversion and doubling of yarn	1,650,559	2,446,526
Repayment of security deposit	-	30,000
Transfer of staff retirement gratuity	-	53,716

- 30.1** Beacon Impex (Private) Limited (BIPL) is the associate of the Company holding 34.5091% (2025: 34.5091%) shareholding in the Company
- 30.2** Detail of compensation to key management personnel is disclosed in Note 28.

31. ENTITY - WIDE INFORMATION

The Company constitutes of a single reportable segment. The Company does not hold non-current assets in any foreign country. There are two major customers (2025: one major customer) of the Company representing revenue of Rupees 1,860.780 million (2025: Rupees 2,446.526 million).

32. PLANT CAPACITY AND ACTUAL PRODUCTION

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

33. FINANCIAL RISK MANAGEMENT**33.1 Financial risk factors**

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

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

(a) Market risk**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no receivable / payable balance in foreign currency as on 30 June 2026 (2025: 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 and short term borrowings. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

	2026 (RUPEES IN THOUSAND)	2025
Floating rate instruments		
Financial assets		
Bank balance in saving account (Note 17)	9,863	34,126
Financial liabilities		
Short term borrowings (Note 8)	100,000	-

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

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 before taxation for the year would have been Rupees 0.839 million lower / higher (2025: Rupees 0.318 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:

	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
Deposits	43,347	39,010
Trade debts	81,345	46,541
Loans and advances	2,603	2,361
Other receivables	11,235	11,235
Bank balances	57,172	82,893
	195,702	182,040

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:

	Short Term	Rating Long term	Agency	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
Banks					
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	537	46,632
The Bank of Punjab	A1+	AA+	PACRA	53,676	36,199
MCB Bank Limited	A1+	AAA	PACRA	922	23
Bank Alfalah Limited	A1+	AAA	PACRA	1,505	39
Askari Bank Limited	A1+	AA+	PACRA	532	-
				57,172	82,893

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 2026 2025 (RUPEES IN THOUSAND)		EXPECTED CREDIT LOSSES 2026 2025 (RUPEES IN THOUSAND)	
Not past due	69,573	24,041	-	-
Upto 1 month	4,524	778	-	-
1 to 6 months	7,248	-	-	-
6 months to 1 year	-	2,327	-	-
More than 1 year	-	2,138	-	2,138
	81,345	29,284	-	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 the Company 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 to ensure that it will have sufficient liquidity to meet its liabilities whenever due. There is no unavailed credit facility available to the Company. However as at 30 June 2026, the Company had Rupees 57.760 million (2025: Rupees 83.286 million) cash and bank balances. Management believes that currently the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2026:

Carrying amount	Contractual cash flows	6 months or less	6-12 months
(RUPEES IN THOUSAND)			

Non-derivative financial liabilities:

Trade and other payables	171,942	171,942	171,942	-
Accrued mark-up	1,016	1,016	1,016	-
Short term borrowings	100,000	110,377	106,663	3,714
	272,958	283,335	279,621	3,714

Contractual maturities of financial liabilities as at 30 June 2025:

Carrying amount	Contractual cash flows	6 months or less	6-12 months
(RUPEES IN THOUSAND)			

Non-derivative financial liabilities:

Trade and other payables	285,930	285,930	285,930	-
--------------------------	---------	---------	---------	---

33.2 Financial instruments by categories

2026	2025
(RUPEES IN THOUSAND)	

At amortized cost**Financial assets as per statement of financial position**

Deposits	43,347	39,010
Trade debts	81,345	46,541
Loans and advances	2,603	2,361
Other receivables	11,235	11,235
Cash and bank balances	57,760	83,286
	196,290	182,433

Financial liabilities as per statement of financial position

Trade and other payables	171,942	285,930
Accrued mark-up	1,016	-
Short term borrowings	100,000	-
	272,958	285,930

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

2026			2025		
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	14,697	-	14,697	26,720	-	26,720
Trade debts	81,345	-	81,345	46,541	-	46,541
Loans and advances	2,603	1,190	3,793	2,361	917	3,278
Short term deposits, prepayment and other receivables	39,885	11,649	51,534	23,525	21,552	45,077
Cash and bank balances	57,760	-	57,760	83,286	-	83,286
	196,290	12,839	209,129	182,433	22,469	204,902

Financial liabilities	2026		Financial liabilities	2025	
	Other than financial liabilities	Total as per statement of financial position		Other than financial liabilities	Total as per statement of financial position
RUPEES IN THOUSAND					

Liabilities as per statement of financial position

Trade and other payables	171,942	34,317	206,259	285,930	39,400	325,330
Accrued mark-up	1,016	-	1,016	-	-	-
Short term borrowings	100,000	-	100,000	-	-	-
	272,958	34,317	307,275	285,930	39,400	325,330

33.4 Offsetting financial assets and financial liabilities

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

33.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent short term borrowings obtained by the Company as referred to Note 8. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

		2026	2025
Borrowings	Rupees in thousand	100,000	-
Total equity	Rupees in thousand	514,471	428,242
Total capital employed	Rupees in thousand	614,471	428,242
Gearing ratio	Percentage	16.27	-

34. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

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

Level1: 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.

Level3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

35. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

	Level 1	Level 2	Level 3	Total
	----- RUPEES IN THOUSAND -----			
At 30 June 2026				
Freehold land	-	85,540	-	85,540
Buildings on freehold land	-	123,320	-	123,320
Plant and machinery	-	323,958	-	323,958
Power generation house	-	32,995	-	32,995
Total non-financial assets	-	565,813	-	565,813

	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

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

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

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

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

Valuation processes

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

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

36. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART 1 OF SCHEDULE IV OF THE COMPANIES ACT, 2017

Description	NOTE	2026 (RUPEES IN THOUSAND)	2025
Statement of Financial Position - Liability Side			
i) Financing (long-term, short-term, or lease financing) obtained as per Islamic mode:			
Long term financing		-	-
Short term borrowings		-	-
Lease financing		-	-
ii) Interest or mark-up accrued on any conventional loan or advance	24	1,016	-
Statement of Financial Position - Asset Side			
iii) Long term and short term shariah compliant investments		-	-
iv) Shariah-compliant bank deposits, bank balances and TDRs		-	-
Statement of Profit or Loss			
v) Revenue earned from shariah compliant business segment	18	1,901,268	2,732,954
vi) Break - up of late payments or liquidated damages		-	-
vii) Gain / (loss) or dividend earned on shariah compliant investments or share of (loss) / profit		-	-
viii) Profit earned from Shariah-compliant bank deposits, bank balances or TDRs		-	-
ix) Exchange (loss incurred) / gain earned from actual currency		-	-
x) Exchange gain earned using conventional derivative financial instruments		-	-
xi) Profit paid on Islamic mode of financing		-	-
xii) Total Interest earned on any conventional loan or advance		-	-
Source and detailed breakup of other income			
Shariah compliant			
Income from non-financial assets:			
Gain on sale of property, plant and equipment		-	7,767
Scrap sales	23	9,679	-
Others			
Non-Shariah compliant			
Profit on saving account	23	1,270	1,113
There was no relationship with any shariah compliant bank.			

37. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 29, 2026 by the Board of Directors of the Company.

38. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.

39. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

GENDER PAY GAP STATEMENT

UNDER CIRCULAR 10 OF 2024

Name of Company:

Arctic Textile Mills Limited

Year Ending:

30 June 2026

Following is gender pay gap calculated for the year ended 30 June 2026:

1.	Mean Gender Pay Gap	-10.48%
2.	Median Gender Pay Gap	0.00%

The above percentages reflect the gender pay gap of relevant male versus female employees in different employment grades across the organization.

We are an equal opportunity employer and do not discriminate in pay based on gender. We remain fully committed to promoting gender diversity and equality in our compensation practices.



Muhammad Iqbal
Chief Executive Officer

Date: 29 September, 2026



04 | SHAREHOLDER'S INFORMATION

**NOTICE OF ANNUAL
GENERAL MEETING**

**PATTERN OF
SHAREHOLDING**

**FORM OF
PROXY**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 41st ANNUAL GENERAL MEETING ("AGM") of Arctic Textile Mills Limited, ("the Company") will be held on Tuesday, October 27, 2026, at its Registered Office, P-102 Jail Road, Faisalabad at 11:30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Extra Ordinary General Meeting ("EOGM") held on July 11, 2026.
2. To receive, consider and approve the annual Audited Financial Statements of the Company for the year ended June 30, 2026, 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. transact any other business with the permission of the chair.



**BY ORDER OF THE BOARD
COMPANY SECRETARY**

Dated: October 05, 2026

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, 2026 to October 27, 2026 (both days inclusive), to determine the names of members entitled to attend the meeting. Share transfers received in order at Registered Office of the Company or our Share Registrar, M/S Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on 19 October, 2026 will be considered in time.
2. All members entitled to attend and vote at this meeting may appoint a person/representative, who must be a member, 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.

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 2026 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 30, 2026, & notice of AGM to be held on October 27, 2026 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:

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

11. Circulation of Notice through Email

Pursuant to S.R.O 452(I)/2025, Notice of the AGM shall be circulated to members at their registered email addresses provided to the Company, in accordance with applicable laws.

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.
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[Weblink: https://www.arctictextile.com/financial-statement.html](https://www.arctictextile.com/financial-statement.html)



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.

THE COMPANIES ACT, 2017

FORM 20

(Section 227(2)(f))

PATTERN OF SHAREHOLDING

1.1	Name of the Company	Arctic Textile Mills Limited		
2.1	Pattern of holding of the shares held by the shareholders as at	30-06-2026		
2.2	-----Shareholdings-----			
	No. of Shareholders	From	To	Total Shares Held
	549	1	100	42,355
	845	101	500	313,454
	251	501	1,000	223,679
	235	1,001	5,000	600,705
	52	5,001	10,000	364,636
	33	10,001	15,000	424,028
	11	15,001	20,000	203,898
	6	20,001	25,000	136,250
	2	25,001	30,000	55,097
	6	30,001	35,000	198,300
	3	35,001	40,000	111,905
	1	40,001	45,000	40,038
	2	55,001	60,000	115,700
	4	60,001	65,000	247,155
	2	70,001	75,000	145,400
	1	90,001	95,000	91,600
	2	95,001	100,000	200,000
	1	140,001	145,000	144,000
	1	190,001	195,000	191,800
	1	310,001	315,000	310,150
	1	345,001	350,000	345,150
	1	465,001	470,000	468,400
	1	555,001	560,000	560,000
	1	560,001	565,000	562,800
	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
	2,016			13,174,800

2.3	Categories of Shareholders	Shares Held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children	2,297,750	17.4405%
2.3.2	Associated Companies, undertakings and related parties.	4,546,500	34.5091%
2.3.3	NIT and ICP	149,300	1.1332%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	673,600	5.1128%
2.3.5	Insurance Companies	19,900	0.1510%
2.3.6	Modarabas and Mutual Funds	36,200	0.2748%
2.3.7	Shareholders holding 10% or more	4,546,500	34.5091%
2.3.8	General Public		
	a. Local	5,185,021	39.3556%
	b. Foreign	-	0.0000%
2.3.9	Others (to be specified) - Joint Stock Companies	266,529	2.0230%



Ali Mudassar
Company Secretary

Arctic Textile Mills Limited

Categories of Shareholding required under Code of Corporate Governance (CCG)

As on June 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	BEACON IMPEX (PRIVATE) LIMITED	4,546,500	34.5091%
Mutual Funds (Name Wise Detail)			
		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. MUHAMMAD ASHRAF	10,000	0.0759%
2	MR. ZEESHAN SAEED (CDC)	982,600	7.4582%
3	MR. MUHAMMAD IQBAL (CDC)	994,400	7.5477%
4	MR. ZAHID ALI	310,150	2.3541%
5	MR. QASIM ALI	600	0.0046%
6	MR. QAISER NASIR (Nominee of Beacon Impex)	-	-
7	MISS AREEJ TARIQ (Nominee of Beacon Impex)	-	-
Executives:			
		-	-
Public Sector Companies & Corporations:			
		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		729,700	5.5386%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	BEACON IMPEX (PRIVATE) LIMITED	4,546,500	34.5091%
2	MR. MUHAMMAD IQBAL	994,400	7.5477%
3	MR. ZEESHAN SAEED	982,600	7.4582%



FORM OF PROXY

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 41st Annual General Meeting of the Company to be held at its registered office at P-102, Jail Road, Faisalabad on Tuesday the 27th day of October 2026 at 11:30 AM or any adjournment thereof.

As witnessed my hands this day of..... 2026

Signed by me in the presence of witness.

(Signature of witness)
CNIC.....

(Signature of witness)
CNIC.....

Please
affix
revenue
stamp

(Member's Signature)
CNIC.....

Notes:

- Proxies in order to be effective must be received at the Company's Registered 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 proxy 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

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

میں اہم / مسی / مسما: _____ ساکن _____ بحیثیت ممبر کمپنی، مسی / مسما: _____

ساکن _____ کمپنی ممبر یا اسکی عدم موجودگی کی صورت میں مسی / مسما: _____ 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 2026 بوقت صبح 11:30 بجے آرکنک ٹیکسٹائل ملز لمیٹڈ، پی 102، جیل روڈ۔ فیصل آباد میں منعقد ہو رہا ہے۔ میں بول سکے اور ووٹ ڈال سکے۔

دستخط تاریخ: _____ / _____ / 2026

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

ریونیوسٹپ چسپاں کریں

گواہ کوآف نمبر 01

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

گواہ کوآف 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 کرنا 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۔

Registered Office

P-102, Jail Road, Faisalabad.

+92-41-2605076

www.arctictextile.com info@arctictextile.com

Mills

35 - Kilometer, Main Sheikhpura Road, Mouza Johal,
Tehsil Jaranwala, District Faisalabad.

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

