



ARCTIC TEXTILE MILLS LIMITED

www.arctictextile.com

**ACCOUNTS
FOR THE 1st QUARTER ENDED
30 SEPTEMBER 2022**

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COMPANY INFORMATION

Board of Directors	Mr. Muhammad Ashraf	Chairman
	Mr. Muhammad Iqbal	Chief Executive Officer
	Mr. Zeeshan Saeed	Director
	Mr. Usman Mahmood	Director (Independent)
	Mrs. Saira Affan	Director (Independent)
	Mr. Muhammad Amman Adil	Director (Nominee BIPL)
	Mr. Qaiser Nasir	Director (Nominee BIPL)
Audit Committee	Mr. Usman Mahmood	Chairman
	Mr. Muhammad Amman Adil	Member
	Mr. Muhammad Ashraf	Member
HR and Remuneration Committee	Mrs. Saira Affan	Chairperson
	Mr. Qaiser Nasir	Member
	Mr. Muhammad Iqbal	Member
Nomination Committee	Mr. Muhammad Ashraf	Chairman
	Mr. Usman Mahmood	Member
	Mrs. Saira Affan	Member
Risk Management Committee	Mr. Muhammad Iqbal	Chairman
	Mr. Muhammad Ashraf	Member
	Mr. Usman Mahmood	Member
Company Secretary	Mr. Ali Mudassar	
Chief Financial Officer	Mr. Bisharat Ali	
Auditors	Riaz Ahmad and Company (Chartered Accountants) 560-F, Raja Road, Gulistan Colony, Faisalabad	
Banks	The Bank of Punjab Habib Metropolitan Bank Limited First Women Bank Limited	
Share Registrar	Corplink (Private) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore	
Registered/Head Office	133 - 134, Regency the Mall, Faisalabad. +92-41-2611028, 2610030 www.arctictextile.com	
Mills	35 - Kilometer, Sheikhpura Road, Faisalabad	



**DIRECTORS' REPORT TO THE MEMBERS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

The Board of Directors of the Company is pleased to present the un-audited financial results of the Company for the first quarter ended on 30 September 2022.

Financial Results:

The financial results of the Company for the first quarter ended 30 September 2022 are as follow:

	Quarter ended	
	30-September 2022	30-September 2021
	(Rupees in thousand)	
REVENUE	411,075	289,678
COST OF SALES	(381,541)	(273,205)
GROSS PROFIT	29,534	16,473
DISTRIBUTION COST	(1,697)	(1,206)
ADMINISTRATIVE EXPENSES	(8,829)	(7,171)
OTHER EXPENSES	(1,500)	(791)
OTHER INCOME	5,863	5,739
FINANCE COST	(312)	(1,305)
PROFIT BEFORE TAXATION	23,059	11,739
TAXATION	(4,284)	(3,381)
PROFIT AFTER TAXATION	18,775	8,358
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	1.43	0.63

During the first quarter under review, your Company achieved revenue of Rupees 411.075 million as compared to Rupees 289.678 million during corresponding same previous period. The Company has succeeded to earn profit after taxation of Rupees 18.775 million as compared to previous period profit after taxation of Rupees 8.358 million. Earnings per share (EPS) for the current period is Rupees 1.43 as compared to EPS of Rupees 0.63 in the corresponding period.

Industry Overview:

Spinning industry is the strong pillar of textile industry and plays vital role for growth of the economy of the country. However, during first quarter, heavy rain and floods have severely damaged cotton crop in Pakistan which has strangled cotton supply and prices of raw cotton have been increased. Further, prevailing global and domestic scenario, sharp increase in energy prices and decade high level of policy rates will keep the inflation on higher side and industry may face difficulty in achieving its long-term targets.

Future Prospects:

The management of the Company has always made solid efforts to enhance overall performance of the Company through maximum capacity utilization and cost rationalization to generate more profits. Despite of the current challenges to the economy, it is expected yarn sales consumption in local market will gain momentum again. Your Company is also trying hard to perform well and show better results in future.

Composition of the Board:

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

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



The composition of board is as follows:

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

Committees of the Board:

Audit Committee:

Sr. #	Name of Directors	
1-	Mr. Usman Mahmood	Chairman/Member
2-	Mr. Muhammad Amman Adil	Member
3-	Mr. Muhammad Ashraf	Member

Human Resource & Remuneration (HR&R) Committee:

Sr. #	Name of Directors	
1-	Mrs. Saira Affan	Chairperson/Member
2-	Mr. Qaiser Nasir	Member
3-	Mr. Muhammad Iqbal	Member

Nomination Committee:

Sr. #	Name of Directors	
1-	Mr. Muhammad Ashraf	Chairman/Member
2-	Mr. Usman Mahmood	Member
3-	Mrs. Saira Affan	Member

Risk Management Committee

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

Director's Remuneration

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

Acknowledgment:

We would like to take this opportunity to express appreciation to the employees of the Company for their hard work and commitment. We would also like to express our gratitude to the valued shareholders and lenders for extending their co-operation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Zeeshan Saeed
Director

Muhammad Iqbal
Chief Executive Officer

Faisalabad:
October 28, 2022

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

(پہلی اختتام پذیر سہ ماہی 30 ستمبر 2022)

کمپنی کے ڈائریکٹرز پہلی اختتام پذیر سہ ماہی 30 ستمبر 2022 کے غیر آڈٹ شدہ مالیاتی نتائج آپ کی خدمت میں پیش کر رہے ہیں۔

مالیاتی کارکردگی:

مالیاتی نتائج کا خلاصہ 30 ستمبر 2022 کے اختتام پر درج ذیل ہے۔

اختتام پذیر سہ ماہی

30 ستمبر 2021	30 ستمبر 2022	
روپے ہزاروں میں	روپے ہزاروں میں	
289,678	411,075	آمدن
(273,205)	(381,541)	لاگت آمدن
16,473	29,534	مجموعی نفع
(1,206)	(1,697)	تقسیم لاگت
(7,171)	(8,829)	انتظامی اخراجات
(791)	(1,500)	دیگر اخراجات
5,739	5,863	دیگر آمدن
(1,305)	(312)	مالی لاگت
11,739	23,059	قبل از ٹیکس منافع
(3,381)	(4,284)	ٹیکس
8,358	18,775	بعد از ٹیکس منافع
0.63	1.43	فی حصص منافع (روپوں میں)

پہلی سہ ماہی کے اختتام پر آپ کی کمپنی کی آمدنی 411.075 ملین روپے ہے۔ جبکہ پچھلی اسی سہ ماہی میں آمدنی 289.678 ملین روپے تھی۔ کمپنی کا مجموعی نفع 18.775 ملین روپے بعد از ٹیکس ہے جبکہ پچھلی اسی سہ ماہی میں مجموعی نفع 8.358 ملین روپے بعد از ٹیکس تھا۔ موجودہ سہ ماہی میں فی حصص منافع 1.43 روپے ہے۔ جبکہ پچھلی اسی سہ ماہی میں فی حصص منافع 0.63 روپے تھا۔

انڈسٹری کا جائزہ:

سپننگ انڈسٹری ٹیکسٹائل انڈسٹری کا مضبوط ستون ہے۔ اور ملک کی معیشت کی ترقی کے لیے اہم کردار ادا کرتی ہے۔ تاہم، پہلی سہ ماہی کے دوران پاکستان میں شدید بارشوں اور سیلاب کی وجہ سے کپاس کی فصل کو شدید نقصان ہوا ہے۔ جس سے کپاس کی سپلائی متاثر ہوئی ہے۔ اور اس کی قیمتوں میں اضافہ ہوا ہے۔ مدید برآں موجودہ عالمی اور ملکی منظر نامے، توانائی کی قیمتوں میں تیزی سے اضافہ اور دہائی کی اونچی سطح کی مہنگائی کی وجہ سے صنعت کو اپنے طویل مدتی اہداف کے حصول میں مشکلات کا سامنا کرنا پڑے گا۔

مستقبل کے امکانات:

کمپنی کی انتظامیہ نے ہمیشہ زیادہ سے زیادہ صلاحیت کے استعمال اور لاگت میں کمی کے ذریعے کمپنی کی مجموعی کارکردگی کو بہتر بنانے کی ہر پور کوشش کی ہیں تاکہ زیادہ منافع کمایا جاسکے معیشت کو درپیش بحران کے باوجود توقع کی جارہی ہے۔ کہ مقامی مارکیٹ میں دھماکے کی کھیت اور فروخت میں اضافہ ہوگا۔ آپ کی کمپنی بھی بہتر کارکردگی اور مستقبل میں بہتر نتائج حاصل کرنے کی کوشش کر رہی ہے۔



بورڈ کی کمیٹیاں:

بورڈ کی کمیٹیوں کی ترتیب درج ذیل ہے۔

صنعتی لحاظ سے:

مرد: 06

خواتین: 01

ڈائریکٹرز کی ترتیب:

آزاد ڈائریکٹرز: 02

غیر ایگزیکٹو ڈائریکٹرز: 03

ایگزیکٹو ڈائریکٹرز: 02

بورڈ کی کمیٹیاں:

بورڈ کی کمیٹیوں کی ترتیب درج ذیل ہے۔

بورڈ کی آڈٹ کمیٹی:

جناب عثمان محمود / چیئرمین / ممبر

جناب محمد امان عادل / ممبر

جناب محمد اشرف / ممبر

بورڈ کی انسانی وسائل اور معاوضہ کمیٹی:

مسز سائرہ عصفان / چیئرمین / ممبر

جناب قیصر ناصر / ممبر

جناب محمد اقبال / ممبر

نمائندگی کی کمیٹی:

ڈائریکٹرز کے نام

جناب محمد اشرف / چیئرمین / ممبر

جناب عثمان محمود / ممبر

مسز سائرہ عصفان / ممبر

رسک مینجمنٹ کمیٹی:

ڈائریکٹرز کے نام

جناب محمد اقبال / چیئرمین / ممبر

جناب محمد اشرف / ممبر

جناب عثمان محمود / ممبر

ڈائریکٹر کا معاوضہ:

کمپنی اپنے نان ایگزیکٹو ڈائریکٹر سمیت آزاد ڈائریکٹرز کو اجلاس فیس کے علاوہ معاوضہ ادا نہیں کرتی۔ ڈائریکٹرز کو ادا کئے گئے معاوضہ کی مجموعی رقم منسلک مالی حسابات کے نوٹ 7 میں درج کی گئی ہے۔

اعتراف:

بورڈ آف ڈائریکٹرز، شیئر ہولڈرز، بینک، تجارتی قراہت داروں اور اپنے ملازمین کی گن، کلاشوں اور محنت کی قدر کرتا ہے

بورڈ آف ڈائریکٹرز کی طرف سے:

ڈیٹان سعید
ڈائریکٹر

محمد اقبال
چیف ایگزیکٹو آفیسر

فیصل آباد
28 اکتوبر 2022



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	NOTE	Un-audited 30-September 2022 (Rupees in thousand)	Audited 30 June 2022
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
17 000 000 (2022: 17 000 000) ordinary shares of Rupees 10 each		170,000	170,000
Issued, subscribed and paid up share capital			
13 174 800 (2021: 13 174 800) ordinary shares of Rupees 10 each fully paid in cash		131,748	131,748
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	3	186,217	190,208
Accumulated loss		(261,915)	(284,681)
Total equity		69,385	50,610
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income tax liability		67,277	70,280
Deferred liabilities		39,321	35,039
Long term security deposit		30,000	30,000
		136,598	135,319
CURRENT LIABILITIES			
Trade and other payables		319,905	344,536
Accrued mark-up on long term financing		79	150
Current portion of non-current liabilities		21,346	31,340
Taxation - net		20,623	16,609
		361,953	392,635
TOTAL LIABILITIES		498,551	527,954
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		567,936	578,564
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	419,978	429,456
Long term deposits and prepayment		10,838	10,704
		430,816	440,160
CURRENT ASSETS			
Stores, spare parts and loose tools		47,417	44,271
Stock in trade		-	61,712
Trade debts		72,444	19,930
Loans and advances		4,602	5,902
Short term deposit, prepayment and other receivables		381	1,646
Cash and bank balances		12,276	4,943
		137,120	138,404
TOTAL ASSETS		567,936	578,564

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2022**

		Quarter ended	
		30-September 2022	30-September 2021
		(Rupees in thousand)	
REVENUE	6	411,075	289,678
COST OF SALES		<u>(381,541)</u>	<u>(273,205)</u>
GROSS PROFIT		29,534	16,473
DISTRIBUTION COST		(1,697)	(1,206)
ADMINISTRATIVE EXPENSES		(8,829)	(7,171)
OTHER EXPENSES		(1,500)	(791)
OTHER INCOME		5,863	5,739
FINANCE COST		<u>(312)</u>	<u>(1,305)</u>
PROFIT BEFORE TAXATION		23,059	11,739
TAXATION		<u>(4,284)</u>	<u>(3,381)</u>
PROFIT AFTER TAXATION		<u>18,775</u>	<u>8,358</u>
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		<u>1.43</u>	<u>0.63</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2022

	Quarter ended	
	30-September 2022	30-September 2021
	(Rupees in thousand)	
PROFIT AFTER TAXATION	18,775	8,358
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the period - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18,775	8,358

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2022

	SHARE CAPITAL	CAPITAL RESERVES			TOTAL	ACCUMULATED LOSS	TOTAL EQUITY
		Equity portion of former shareholders' loan	Surplus on revaluation of property, plant and equipment - net of deferred income tax				
(Rupees in thousand)							
Balance as at 30 June 2021-audited	131,748	13,335	122,679	136,014	(379,776)	(112,014)	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(2,759)	(2,759)	2,759	-	
Transfer from surplus on disposal of property, plant and equipment -net of deferred income tax	-	-	(968)	(968)	968	-	
Profit for the 1st quarter ended 30 September 2021	-	-	-	-	-	-	8,358
Other comprehensive income for the 1st quarter ended 30 September 2021	-	-	-	-	-	-	8,358
Total comprehensive income for the 1st quarter ended 30 September 2021	-	-	-	-	-	-	8,358
Balance as at 30 September 2021-Unaudited	131,748	13,335	118,952	132,287	(367,691)	(103,656)	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(11,351)	(11,351)	11,351	-	
Transfer from surplus on disposal of property, plant and equipment - net of deferred income tax	-	-	88	88	(88)	-	
Adjustment of deferred income tax liability due to remeasurement at year end	-	-	1,040	1,040	(1,040)	-	
Profit for the nine months ended 30 June 2022	-	-	-	-	-	-	75,206
Other comprehensive income for nine months ended 30 June 2022	-	-	81,479	81,479	(75,206)	79,060	
Total comprehensive income for the nine months ended 30 June 2022	-	-	81,479	81,479	(75,206)	154,286	
Balance as at 30 June 2022-audited	131,748	13,335	190,208	203,543	(284,681)	50,610	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(3,991)	(3,991)	3,991	-	
Profit for the 1st quarter ended 30 September 2022	-	-	-	-	-	-	18,775
Other comprehensive income for the 1st quarter ended 30 September 2022	-	-	-	-	-	-	-
Total comprehensive income for the 1st quarter ended 30 September 2022	-	-	-	-	-	-	18,775
Balance as at 30 September 2022-Unaudited	131,748	13,335	186,217	199,552	(261,915)	69,385	

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2022**

	Quarter ended	
	30-September 2022	30-September 2021
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	23,059	11,739
Adjustments for non-cash charges and other items:		
Depreciation	9,477	8,091
Provision for staff retirement gratuity	5,114	3,423
Gain on disposal of property, plant and equipment	-	(1,014)
Amortization of deferred grant	(155)	(750)
Finance cost	312	1,305
	<u>37,807</u>	<u>22,794</u>
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(3,146)	(2,681)
Stock in trade	61,712	8,054
Trade debts	(52,514)	(24,798)
Loans and advances	1,300	259
Short term deposit, prepayment and other receivables	1,226	68
	<u>8,578</u>	<u>(19,098)</u>
Decrease in trade and other payables	(24,631)	(17,827)
Cash used in operations	<u>21,754</u>	<u>(14,131)</u>
Finance cost paid	(224)	(501)
Staff retirement gratuity paid	(832)	(1,455)
Net increase in long term deposits and prepayment	(134)	-
Income tax paid	(3,272)	(4,026)
Net cash used in operating activities	<u>17,292</u>	<u>(20,113)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	-	(1,162)
Proceeds from disposal of property, plant and equipment	-	3,500
Profit on saving account received	39	124
Net cash used in investing activities	<u>39</u>	<u>2,462</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(9,998)	(9,998)
Net cash used in financing activities	<u>(9,998)</u>	<u>(9,998)</u>
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>7,333</u>	<u>(27,649)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,943	39,628
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>12,276</u>	<u>11,979</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2022**

1. THE COMPANY AND ITS OPERATIONS

Arctic Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 133-134, Regency the Mall, 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- ii) These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2022.

b) Accounting policies and methods of computations

The accounting policies and methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2022.

2.2 Critical accounting estimates, judgments and financial risk management

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the audited annual financial statements of the Company for the year ended 30 June 2022.



2.3 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 30 June 2022.

Un-Audited 30 September 2022	Audited 30 June 2022
(Rupees in thousand)	

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

Balance at the beginning of the period	190,208	122,679
Add:		
Increase in surplus on revaluation - net of deferred income tax	-	81,479
Adjustment of deferred income tax liability due to remeasurement at period /year end	-	1,040
	-	82,519
Less:		
Surplus transferred to accumulated loss on disposal of property, plant and equipment - net of deferred income tax	-	(880)
Transferred to accumulated loss in respect of incremental depreciation charged during the year - net of deferred income tax	(3,991)	(14,110)
	(3,991)	(14,990)
Balance at the end of the period	186,217	190,208

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 20 million (30 June 2022: Rupees 20 million) are given by the Bank of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections.
- ii) The Company has filed a writ petition in the Honorable Lahore High Court, Lahore against the recovery demand of fifty percent increase on social security contribution having an amount of Rs. 4.201 million (30 June 2022: Rs.4.201 million) by Punjab Employees Social Security Institution (PESSI). 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 the petition.

b) Commitments

There was no commitment as at 30 September 2022 (30 June 2022: Rupees Nil).

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 5.1)	413,832	423,310
Capital work-in-progress (Note 5.2)	6,146	6,146
	419,978	429,456



Un-Audited 30 September 2022	Audited 30 June 2022
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(Rupees in thousand)

5.1 Operating fixed assets:

Opening book value	423,310	338,533
Add:		
Cost of additions during the period / year (Note 5.1.1)	-	19,350
Effect of surplus on revaluation during the period / year	-	104,559
	423,310	462,442
Less: Book value of deletions during the period / year - plant and machinery	-	(2,486)
	423,310	459,956
Less: Depreciation charged during the period / year	(9,478)	(36,646)
	413,832	423,310

5.1.1 Cost of additions during the period / year

Plant and machinery	-	8,674
Electric installations	-	4,879
Power generation house	-	5,662
Factory equipment	-	135
	-	19,350

5.2 Capital work-in-progress

Buildings on freehold land	6,146	6,146
	6,146	6,146

6. REVENUE

6.1 The revenue represents conversion and doubling income of Rupees 343.661 million (30 September 2021: Rupees 272.597 million) and export sale of fabric of Rupees 67.286 million (30 September 2021 : Rupees 17.081).

6.2 The Company's revenue from external customers by geographical locations was Rupees 67.286 million from Africa (30 September 2021: Rupees 17.081 from Asia) and Rupees 343.661million (30 September 2021: Rupees 272.597 million) from Pakistan.

7. TRANSACTIONS WITH RELATED PARTIES

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

(Un-audited)	
Quarter ended	
30 September 2022	30 September 2021

(Rupees in thousand)

i) Transactions**Associate**

Purchase of goods and other shared services	53,113	12,269
Revenue from conversion and doubling of yarn	171,209	-

Key management personnel

Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	4,266	3,098
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Un-Audited	Audited
30 September 2022	30 June 2022

(Rupees in thousand)

ii) Period end balances

Associate

Trade and other payables	69,656	10,590
Long term security deposits	30,000	-

8. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Loans / advances obtained as per Islamic mode

Long Term security deposits	30,000	-
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(Un-audited)	
Three months ended	
30 September 2022	30 September 2021

(Rupees in thousand)

Revenue earned from shariah compliant business	411,075	289,678
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Exchange gain	423	-
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Profits earned or interest paid on any conventional loan / advance

Mark-up on long term financing	79	378
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There was no shariah compliant bank balance, no profit on deposit with shariah compliant banks, no gain or dividend on shariah compliant investment and no mark-up paid on Islamic mode of financing.

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on October 28, 2022 .

10. CORRESPONDING FIGURES

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

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

11. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



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