

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF  
GATRON (INDUSTRIES) LIMITED  
REPORT ON THE AUDIT OF THE SPECIAL PURPOSE UN-CONSOLIDATED FINANCIAL  
STATEMENTS**

**Opinion**

We have audited the annexed special purpose un-consolidated financial statements of **Gatron (Industries) Limited**, ("the Company") which comprise the un-consolidated statement of financial position as at January 31, 2025, and the un-consolidated statement of profit or loss, the un-consolidated statement of comprehensive income, the un-consolidated statement of changes in equity, the un-consolidated statement of cash flows for the period from July 01, 2024 to January 31, 2025 (hereinafter referred as "the period ended January 31, 2025"), and notes to the special purpose un-consolidated financial statements including a material accounting policy information.

In our opinion, the accompanying special purpose un-consolidated financial statements of the Company for the period ended January 31, 2025 are, prepared in all material respects, in accordance with the basis of preparation as disclosed in Note 2 of the special purpose financial statements.

**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 Special purpose un-consolidated 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 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.

**Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use**

We draw attention to note 2 to the special purpose un-consolidated financial statements which describes the basis of preparation. The annexed special purpose un-consolidated financial statements are prepared in order to make compliance of section 282 (2) (e) of the Companies Act, 2017 in respect of the intended Scheme of Arrangement as more fully explained in note 1.2 of the special purpose financial statements. As a result these special purpose un-consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the use of the Board of Directors in connection with the above mentioned purpose and should not be distributed to or used to any other purpose. Our opinion is not modified in respect of this matter.



### **Responsibilities of Management and Board of Directors for the Special Purpose Un-consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the special purpose un-consolidated financial statements in accordance with basis of preparation as disclosed in note 2 to the special purpose un-consolidated financial statements and for such internal control as management determines is necessary to enable the preparation of special purpose un-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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 is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Special Purpose Un-consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose un-consolidated 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 special purpose un-consolidated 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 special purpose un-consolidated 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 special purpose un-consolidated 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 special purpose un-consolidated financial statements, including the disclosures, and whether the special purpose un-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate, where necessary, 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.

The engagement partner on the audit resulting in this independent auditor's report is Taswar Hussain.

*Kreston Hyder Bhimji & Co.*

Chartered Accountants

Karachi

Dated: 03 05 2025




**GATRON (INDUSTRIES) LIMITED**  
SPECIAL PURPOSE UN-CONSOLIDATED FINANCIAL STATEMENTS  
UN-CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT JANUARY 31, 2025

		(Rupees in Thousand)	
		January 2025	June 2024
<b>ASSETS</b>	<b>Note</b>		
<b>Non - Current Assets</b>			
Property, plant and equipment	4	19,123,233	18,778,042
Intangible assets	5	54,304	60,152
Long term investments	6	477,064	509,463
Long term loans	7	157,542	405,475
Long term deposits	8	6,936	6,936
		19,819,079	19,760,068
<b>Current Assets</b>			
Stores, spare parts and loose tools	9	1,777,357	1,990,321
Stock in trade	10	7,328,082	7,503,024
Trade debts	11	3,407,696	3,516,225
Loans and advances	12	155,621	460,483
Current portion of long term loans	13	17,388	35,584
Trade deposits and short term prepayments	14	80,228	71,525
Other receivables	15	342,424	884,648
Advance income tax		-	70,000
Cash and bank balances	16	684,308	297,008
<b>TOTAL ASSETS</b>		13,793,104	14,828,818
		33,612,183	34,588,886
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	17	1,087,290	1,087,290
Capital reserves	18	11,656,603	11,656,603
(Accumulated loss)/unappropriated profit		(1,179,052)	543,270
		11,564,841	13,287,163
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Long term financing	19	8,065,501	8,507,127
Lease liability against right of use assets	20	95,313	107,749
Deferred liabilities and income	21	1,274,491	1,340,828
		9,435,305	9,955,704
<b>Current Liabilities</b>			
Trade and other payables	22	5,574,674	5,522,641
Unclaimed dividend		1,421	8,219
Unpaid dividend	23	20,801	20,801
Accrued mark-up/ profit	24	530,747	543,012
Short term borrowings	25	4,634,224	3,579,563
Current portion of long term financing	19	1,323,010	1,196,089
Current portion of lease liability against right of use assets	20	19,869	15,020
Current portion of deferred liabilities and income	26	250,323	254,090
Provision for levies and income tax less payments	27	256,968	206,584
		12,612,037	11,346,019
<b>CONTINGENCIES AND COMMITMENTS</b>	28		
<b>TOTAL EQUITY AND LIABILITIES</b>		33,612,183	34,588,886

The notes 1 to 49 annexed herewith form an integral part of these special purpose un-consolidated financial statements.

  
**ABDUL RAZAK DIWAN**  
Chairman

  
**MUHAMMAD IQBAL BILWANI**  
Director

  
**MUSTUFA BILWANI**  
Chief Financial Officer

Buying/Selling closing conversion rates were 1 US\$ = Rs.278.90/279.40, 1 Euro € = Rs.289.36/289.89 and 1 Pound £ = Rs.344.96/345.58



**GATRON (INDUSTRIES) LIMITED**

SPECIAL PURPOSE UN-CONSOLIDATED FINANCIAL STATEMENTS

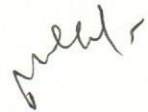
UN-CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED JANUARY 31, 2025

		(Rupees in Thousand)	
		Jul-2024	Jul-2023
		to	to
		Jan-2025	Jun-2024
	Note		
Sales	29	15,077,006	34,013,581
Cost of sales	30	15,034,974	31,926,722
<b>Gross profit</b>		<b>42,032</b>	<b>2,086,859</b>
Distribution and selling costs	31	312,549	301,996
Administrative expenses	32	312,414	561,347
Other expenses	33	41,375	120,664
		666,338	984,007
		(624,306)	1,102,852
Other income	34	74,538	289,650
<b>Operating (loss)/profit</b>		<b>(549,768)</b>	<b>1,392,502</b>
Finance cost	35	1,011,679	1,494,587
		(1,561,447)	(102,085)
Investment income - Dividend	36	-	8,538
<b>Loss before levies and income tax</b>		<b>(1,561,447)</b>	<b>(93,547)</b>
Levies - Current & prior	37	189,564	424,411
<b>Loss before income tax</b>		<b>(1,751,011)</b>	<b>(517,958)</b>
Income tax - Prior		563	(94,553)
- Deferred		-	(219,047)
	38	563	(313,600)
<b>Loss for the period/year</b>		<b>(1,751,574)</b>	<b>(204,358)</b>
<b>Loss per share - Basic and diluted ( Rupees )</b>	39	<b>(16.11)</b>	<b>(2.36)</b>

The notes 1 to 49 annexed herewith form an integral part of these special purpose un-consolidated financial statements.

  
**ABDUL RAZAK DIWAN**  
 Chairman

  
**MUHAMMAD IQBAL BILWANI**  
 Director

  
**MUSTUFA BILWANI**  
 Chief Financial Officer

## GATRON (INDUSTRIES) LIMITED

SPECIAL PURPOSE UN-CONSOLIDATED FINANCIAL STATEMENTS  
UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED JANUARY 31, 2025

	(Rupees in Thousand)	
	Jul-2024 to Jan-2025	Jul-2023 to Jun-2024
Loss for the period/year	(1,751,574)	(204,358)
Other comprehensive income		
<i>Items that will never be reclassified to statement of profit or loss</i> gain on remeasurement of defined benefit plan having nil tax impact	29,252	38,496
Total comprehensive loss	<u>(1,722,322)</u>	<u>(165,862)</u>

The notes 1 to 49 annexed herewith form an integral part of these special purpose un-consolidated financial statements. 14

  
ABDUL RAZAK DIWAN  
Chairman

  
MUHAMMAD IQBAL BILWANI  
Director

  
MUSTUFA BILWANI  
Chief Financial Officer





**GATRON (INDUSTRIES) LIMITED**

SPECIAL PURPOSE UN-CONSOLIDATED FINANCIAL STATEMENTS  
UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED JANUARY 31, 2025

	(Rupees in Thousand)			
	Share capital	Capital reserves	Unappropriated (loss)/profit	Total
Balances as at July 01, 2023	767,290	6,383,645	709,132	7,860,067
Total comprehensive loss for the year ended June 30, 2024				
Loss for the year	-	-	(204,358)	(204,358)
Other comprehensive income	-	-	38,496	38,496
	-	-	(165,862)	(165,862)
<b>Transactions with owners</b>				
Subscription of shares against right issue @41.7052% at a premium of Rs.165 per share	320,000	5,280,000	-	5,600,000
Shares issue cost	-	(7,042)	-	(7,042)
Balances as at June 30, 2024	1,087,290	11,656,603	543,270	13,287,163
Total comprehensive loss for the period ended January 31, 2025				
Loss for the period	-	-	(1,751,574)	(1,751,574)
Other comprehensive income	-	-	29,252	29,252
	-	-	(1,722,322)	(1,722,322)
<b>Balances as at January 31, 2025</b>	<b>1,087,290</b>	<b>11,656,603</b>	<b>(1,179,052)</b>	<b>11,564,841</b>

The notes 1 to 49 annexed herewith form an integral part of these special purpose un-consolidated financial statements.

  
**ABDUL RAZAK DIWAN**  
Chairman

  
**MUHAMMAD IQBAL BILWANI**  
Director

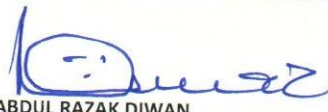
  
**MUSTUFA BILWANI**  
Chief Financial Officer

**GATRON (INDUSTRIES) LIMITED****SPECIAL PURPOSE UN-CONSOLIDATED FINANCIAL STATEMENTS****UN-CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE PERIOD ENDED JANUARY 31, 2025

		(Rupees in Thousand)	
		Jul-2024 to Jan-2025	Jul-2023 to Jun-2024
<b>Cash Flows from Operating Activities</b>			
Loss before levies and income tax			
Adjustments for:		(1,561,447)	(93,547)
Depreciation on property, plant and equipment	4.2	845,628	863,848
Depreciation on right of use assets	4.6.1	15,463	23,720
Amortization of intangible asset	5	5,848	10,025
Provision for defined benefit plan	21.2	86,731	130,509
Gain on disposal of property, plant and equipment	34	(8,882)	(22,088)
Impairment in long term investments	33	17,010	38,357
(Reversal)/impairment of allowance for ECL-net	11.8	(11,197)	52,641
Impairment allowance for slow moving stores, spare parts and loose tools-net	9.1	11,629	21,034
Amortization of interest free long term loan to subsidiary company	34	(35,314)	(41,722)
Remeasurement gain on discounting of provision for GIDC	34	(1,173)	(12,664)
Finance costs	35	1,011,679	1,494,587
		<u>1,937,422</u>	<u>2,549,709</u>
Decrease/(increase) in current assets:		375,975	2,456,162
Stores, spare parts and loose tools		201,335	(431,887)
Stock in trade		174,942	3,883,715
Trade debts		119,726	406,923
Loans and advances		304,862	(164,969)
Trade deposits and short term prepayments		(8,703)	317,543
Other receivables		542,224	961,742
		<u>1,334,386</u>	<u>4,973,067</u>
Increase/(Decrease) in trade and other payables		53,230	(3,699,662)
Cash flows from operations before following		<u>1,763,591</u>	<u>3,729,567</u>
Receipts of/(Payments for):			
Long term loans		316,832	(307,915)
Long term deposits		-	(2,017)
Defined benefit plan	21.2	(29,748)	(35,913)
Finance costs		(1,010,339)	(1,811,476)
Income tax and Levies		(67,768)	(354,418)
Group taxation impact		(1,975)	(964)
Net cash flows from operating activities		<u>970,593</u>	<u>1,216,864</u>
<b>Cash flows towards Investing Activities</b>			
Additions in property, plant and equipment		(1,222,678)	(2,602,631)
Proceeds from disposal of property, plant and equipment	4.3	25,278	44,749
Long term investment made	6.2	-	(200)
Dividend received	36	-	8,538
Net cash flows towards investing activities		<u>(1,197,400)</u>	<u>(2,549,544)</u>
<b>Cash flows (towards)/from Financing Activities</b>			
Proceed against issue of share capital net of issuance cost		-	5,592,958
Long term financing - proceeds received		141,463	1,420,696
Long term financing - repayments		(554,027)	(780,620)
Payments for lease liability against right of use assets		(21,192)	(32,271)
Short term borrowings - net (fixed term instruments)		34,858	(635,175)
Dividend paid		(6,798)	(12,836)
Net cash flows (towards)/from financing activities		<u>(405,696)</u>	<u>5,552,752</u>
Net (decrease)/increase in cash and cash equivalents		<u>(632,503)</u>	<u>4,220,072</u>
Cash and cash equivalents at the beginning of the period/year		<u>(3,117,730)</u>	<u>(7,337,802)</u>
Cash and cash equivalents at the end of the period/year	40	<u>(3,750,233)</u>	<u>(3,117,730)</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>			
Cash and bank balances		684,308	297,008
Short term borrowings		(4,434,541)	(3,414,738)
		<u>(3,750,233)</u>	<u>(3,117,730)</u>

The notes 1 to 49 annexed herewith form an integral part of these special purpose un-consolidated financial statements.

  
**ABDUL RAZAK DIWAN**  
 Chairman

  
**MUHAMMAD IQBAL BILWANI**  
 Director

  
**MUSTAFA BILWANI**  
 Chief Financial Officer



**GATRON (INDUSTRIES) LIMITED****NOTES TO THE SPECIAL PURPOSE UN-CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JANUARY 31, 2025****1 THE COMPANY AND ITS OPERATIONS**

**1.1** The Company was incorporated in Pakistan in 1980 as a Public Limited Company and its shares are quoted at Pakistan Stock Exchange Limited since 1992. The principal business of the Company is manufacturing of Polyester Filament Yarn through its self-produced Polyester Polymer/Chips. The Company also produces Pet Preforms. The registered office of the Company is situated at Room No. 32, 1st floor, Ahmed Complex, Jinnah Road, Quetta whereas the manufacturing facility of the Company is situated at Plot No 441/49-M2, Sector "M", H.I.T.E., Main R.C.D. Highway, Hub Chowki, Distt Lasbela, Balochistan and Liaison office of the Company is situated at 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi.

**1.2** The Company also wholly owns following Subsidiary Companies:

- Gatro Power (Private) Limited, which is engaged in power generation.
- Global Synthetics Limited, which has yet to commence its operations.
- G-Pac Energy (Private) Limited, which is engaged in power generation.

**1.3** These special purpose un-consolidated financial statements are being prepared in order to make compliance of Section 282 (2) (e) of the Companies Act 2017, for convening Extra Ordinary General Meeting (EOGM) and if required present to High Court of Balochistan for considering/approving/adopting scheme of arrangement of the Gatron (Industries) Limited with M/s. Nova Frontier (Private) Limited (NFL) and Ghani & Tayub (Private) Limited (G&T). In term of the scheme intended to be executed subject to the approval of the court and the members of the Company in EOGM:

- (i) NFL will cancel the shares held by the certain categories of shareholders (collectively referred to as the "Outgoing Shareholders"), resulting in a corresponding reduction in NFL's share capital. As consideration for the aforesaid, the 29.33% shareholding of Gatron, currently held by NFL will be cancelled upto the ratio determined through valuation and new shares of Gatron will be issued to the Outgoing Shareholders / beneficial owners of outgoing shareholders of NFL in lieu of cancellation of their shareholding in NFL on the basis of SWAP ratio to be determined by professional valuer.
- (ii) Gatron will cancel the 2.98 % shareholding (comprising 3,240,774 shares) currently held by G&T, and to issue new shares of the Company directly to the shareholders of G&T.

**2 BASIS OF PREPARATION****2.1 Statement of Compliance**

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

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

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

**2.2 New accounting standards / amendments and IFRS interpretations that are effective for the period ended January 31, 2025****2.2.1 Standards, interpretations and amendments to published approved accounting standards that became effective during the period**

There were certain new amendments to the approved accounting standards and a new interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC) which became effective during the year but are considered not to be relevant or have any significant effect on the Company's operations, therefore, not disclosed in these special purpose un-consolidated financial statements.

**2.2.2 New accounting standards / amendments and IFRS interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's special purpose un-consolidated financial statements other than certain additional disclosures.

		Effective from accounting period beginning on or after:
IAS-21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS-7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS-17	Insurance Contracts	January 1, 2026
IFRS-9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at January 31, 2025.

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IFRS - 1	First-time Adoption of International Financial Reporting Standards
IFRS - 18	Presentation and Disclosure in Financial Statements
IFRS - 19	Subsidiaries without Public Accountability: Disclosures

## 2.3 Basis of measurement

These special purpose un-consolidated financial statements have been prepared under the historical cost convention except otherwise specifically stated in note 3.

These special purpose un-consolidated financial statements have been prepared following accrual basis of accounting except for un-consolidated statement of cash flows.

The comparative figures for the year ended June 30, 2024, have been presented in the special purpose unconsolidated financial statements due to the unavailability of information.

## 2.4 Critical Accounting Estimates and Judgments

The preparation of special purpose un-consolidated financial statements requires management to make judgments, estimates and assumptions that have an effect on the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors including expectation of future events that, in the considered opinion of the management, are reasonable, under the circumstances, the results whereof provide the basis of making judgment in relation to carrying value of assets and liabilities that are not readily measurable, using other means. The definitive impact of ultimate outcome, may fluctuate from these estimates.

The estimates and underlying assumptions are periodically appraised. Revision to accounting estimates is recognized and effect is given in the period in which estimates are revised, or in the period of the revision and future periods as appropriate.

Judgments made by the management that have significant effect on the special purpose un-consolidated financial statements and estimates with a significant probability of material adjustment in future are disclosed hereunder:

### 2.4.1 Property, plant and equipment and Intangible assets

The Company's management reviews the estimated useful lives and related depreciation/amortization charge for its property, plant and equipment and intangible assets on each reporting date. The Company reviews the value of the assets for possible impairment on each reporting date where there is any such indication. Any change in the estimate in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangible assets with a corresponding effect on the depreciation, impairment and deferred tax.

### 2.4.2 Trade debts, advances and other receivables

The estimates of doubtful trade debts, advances and other receivables are made, using and appropriately judging the relevant inputs and applying parameters as stated in note 3.3 & 3.7, as the management considers appropriate, which, on actual occurrence of the subsequent event, may fluctuate. The effect of variation is recorded as and when it takes place.

### 2.4.3 Stock in trade

The Company reviews the net realizable value of stock-in-trade to assess any diminution in the respective carrying values on each reporting date. Net realizable value is determined with respect to estimated selling prices less estimated expenditure to make the sales.

### 2.4.4 Stores, spare parts and loose tools

The estimate of slow moving and obsolete stores, spare parts and loose tools, are made, using and appropriately judging the relevant inputs and applying the parameter i.e. age analysis and obsolescence, as the management considers appropriate, which, on actual occurrence of the subsequent event, may fluctuate. The effects of variation is recorded as and when it takes place.

### 2.4.5 Defined benefit plan

The actuarial valuation of defined benefit plan, have been premised on certain actuarial hypothesis, as disclosed in note 3.9.2 and 21.2. Changes in assumptions in future years may affect the liability under this scheme upto those years.

### 2.4.6 Income tax and levies

In making the estimate for income tax and levies liabilities, the management considers current income tax law and the decisions of appellate authorities. Deferred tax estimate is made considering future applicable tax rate, as also stated disclosed in note 3.12.

### 2.4.7 Impairment of investment in Subsidiary Companies

In making an estimate of recoverable amount of the Company's investment, the management considers breakup value of shares of respective period, see note 3.4.

### 2.4.8 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/non-occurrence of the uncertain future event(s).

### 2.4.9 Leases

The Company uses judgements and estimates in measurement of right of use assets and corresponding lease liabilities with respect to discount rates, lease terms including exercise of renewal and termination options etc.

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## 2.5 Functional and presentation currency

These special purpose un-consolidated financial statements are presented in Pakistani Rupee (Rupees), which is the Company's functional currency.

## 2.6 Separate financial statements

These special purpose un-consolidated financial statements are the separate financial statements of the Company in which Investment in subsidiaries has been accounted for at cost less accumulated impairment losses, if any.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these special purpose un-consolidated financial statements are the same as those applied in the preparation of the special purpose un-consolidated financial statements of the Company for the year ended June 30, 2024. The principal material policies applied in the preparation of these special purpose un-consolidated financial

### 3.1 Property, plant and equipment

#### Recognition and measurement:

These are stated at cost less accumulated depreciation and impairment if any, except free-hold land, lease-hold land and capital work in progress which are stated at cost. No amortization is provided on leasehold land since the leases are renewable at the option of the lessee at nominal cost and their realizable values are expected to be higher than respective carrying values.

#### Depreciation:

Depreciation is charged on diminishing balance method at the rates mentioned in Note 4.1, whereby the depreciable amount of an asset is written off over its estimated useful life. Depreciation on addition is charged from the month of the asset is available for use upto the month prior to disposal.

#### Subsequent costs:

Subsequent costs (including those on account of major repairs) are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future additional economic benefits associated with such additional cost will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance incurred are taken to statement of profit or loss.

#### Impairment:

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their respective estimated recoverable amounts. Where estimated carrying amounts exceed the respective recoverable amounts, the estimated carrying amounts are appropriately adjusted with impairment loss recognized in statement of profit or loss for the period. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Fair value means the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

#### Write off:

An item of property, plant and equipment is derecognized when no economic future benefits are expected from its use.

#### Gain or Loss:

Gain or loss on disposal of property, plant and equipment, if any, is taken to statement of profit or loss.

#### Right of use assets:

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfer to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of assets.

### 3.2 Intangible Assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Costs directly associated with identifiable software that will have probable economic benefits exceeding, beyond one year, are recognized as an intangible asset.

These are stated at cost less accumulated amortization and impairment, if any except capital work in progress which are stated at cost. Intangible assets are amortized on straight line basis over its estimated useful life(s). Amortization on additions during the financial year is charged from month in which the asset is intended to use, whereas no amortization is charged from the month the asset is disposed-off.



### 3.3 Impairment

#### Financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of 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:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance 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.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

#### Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the un-consolidated statement of profit or loss.

### 3.4 Investments

#### Subsidiary Companies

Investment in Subsidiary Companies are initially recognized at cost. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is higher of its value in use and its fair value/breakup value less cost to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the statement of profit or loss.

### 3.5 Stores, spare parts and loose tools

These are valued at weighted average cost. Items in transit are valued at cost comprising of invoice value and other incidental charges incurred thereon till the reporting date. Adequate impairment allowance is made for slow moving and obsolete items based on parameter set out by the management as stated in note 2.4.4. The major value spares and stand by equipments are capitalized and depreciated according to their useful life.

### 3.6 Stock in trade

These are valued at lower of weighted average cost and net realizable value. The value of goods in process and finished goods represents costs of direct materials plus applicable labour and production overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Stock in transit is valued at cost comprising invoice value plus other incidental charges incurred thereon upto the reporting date.

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### 3.7 Trade debts, advances and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. Export debtors are translated into Rupee at the rate prevailing on the reporting date. An expected credit loss is established when there is objective evidence that the Company will not be able to collect amounts due according to the original terms of the trade debts. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

### 3.8 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and term deposit receipts having maturity of less than three months period less running finance. Running finance are shown within short term borrowings.

### 3.9 Employees' post employment benefits

#### 3.9.1 Defined contribution plan

The Company provides provident fund benefits to all its eligible employees. Equal contributions are made, both by the Company and the employees and the same is charged to the statement of profit or loss.

#### 3.9.2 Defined benefit plan

The Company operates an unfunded defined gratuity scheme, in addition to defined contribution plan being not mandatory under the law, for its employees and working directors who attain the minimum qualification period. The obligation is determined through actuarial valuation by an independent actuary using the "Projected Unit Credit Method". The latest actuarial valuation was conducted on the balances as at January 31, 2025.

### 3.10 Compensated unavailed leaves

The Company accounts for its estimated liability towards unavailed leaves accumulated by employees on accrual basis.

### 3.11 Government scheme

This represents assistance in form of transfer of resources to an entity by government entity in return for the compliance with certain past or future conditions related to the entity's operating activities. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes benefits under the government schemes when there is reasonable assurance that benefits of the schemes will be received and the Company will be able to comply with conditions associated with schemes. These benefits are recognized at fair value, as deferred income.

Schemes that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Schemes that compensate for the cost of an asset are recognized in income on systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loan at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit under the government financing scheme is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the scheme.

### 3.12 Income Tax & Levies

#### Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum tax u/s 113 and alternate corporate tax u/s 113C of the Income Tax Ordinance, 2001, whichever is higher. The Company to the extent of export sales fall under the final tax regime u/s 154 read with section 169 of the Income Tax Ordinance, 2001. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the period for such years.

#### Deferred

The Company accounts for deferred income tax on all temporary timing differences using the liability method. Deferred income tax assets are recognized to the extent, it is probable that taxable profit 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. In this regard, the effect on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted.

#### Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

### 3.13 Trade and other payables

Trade and other payables are carried at amortized cost, which is the fair value of the consideration to be paid in future for goods and services recognized upto reporting date.

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### 3.14 Provision

Provision is recognized when the Company has present legal or constructive obligation as a result of past event, if it is probable that an outflow of economic resources will be required to settle the obligation, and reliable estimate of the amounts can be made.

### 3.15 Borrowings and their costs

Borrowings are recorded as the proceeds received.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction, installation or production of a qualifying asset, where borrowing costs, if any, are capitalized as part of the cost of that asset.

### 3.16 Foreign currency transactions and translation

Foreign currency transactions are recorded into Rupee using the prevailing exchange rates. As on reporting date, monetary assets and liabilities in foreign currencies are translated into Rupee at the prevailing exchange rates on the reporting date. Resultant exchange differences are taken to statement of profit or loss.

### 3.17 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The revenue from diverse sources is recognized as explained below:

- Revenue from sale of goods is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and the control transfers at a point in time, i.e. at the time the goods are dispatched / shipped to customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, returns rebates and government levies.
- Processing services are recognized on completion of services rendered.
- Dividend income is recognized when the right of receipt is established.
- Income from rent is recognized on accrual basis.
- Storage and handling income is recognized on performing services or issuance of invoices.
- Profit on deposits is recognized using the effective interest method.

### 3.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic 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 period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 3.19 Dividend and appropriation to reserve

Liability for dividend and appropriation to reserve are recognized in the special purpose un-consolidated financial statements in the period in which these are approved.

Transfer between reserves made subsequent to the reporting date is considered as a non-adjusting event and is recognized in the period in which such transfers are made.

### 3.20 Financial instruments

#### Initial measurement of financial asset

The Company classifies its financial assets in to following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### Subsequent measurement

Debt Investments at FVOCI: These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

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Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

Financial assets measured at amortized cost: These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

#### Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets 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.

#### 3.21 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

#### 3.22 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the asset and discharge the liability simultaneously.

#### 3.23 Operating segments

Segment results that are reported to the Company's Chief Executive Officer (CEO) - the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, comprise mainly corporate assets, head office expenses, and tax assets and liabilities.

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure if any, is the total cost incurred during the year to acquire property, plant and equipment. Segment results are stated in note 43.

#### 3.24 Contingent liabilities

Contingent liability is disclosed when

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present 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.

#### 3.25 Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate issued. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of certain short term and low value leases are not recognized and payments against such leases are recognized as expense in profit or loss.

4

#### PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Capital work in progress

Right of use assets

Advance for purchase of land

Note

4.1

4.5

4.6

28.3.1

(Rupees in Thousand)	
January 2025	June 2024
14,858,646	13,803,433
4,171,225	4,848,559
93,362	108,825
-	17,225
19,123,233	18,778,042



#### 4.1 Operating fixed assets

Particulars	Land		Building		Office premises	Plant and machinery	Furniture and fixture	Factory equipment	Office equipment	Motor vehicles	TOTAL
	Freehold	Leasehold	On freehold land	On leasehold land							
(Rupees in Thousand)											
Net carrying value											
Period ended January 31, 2025											
Net book value (NBV) as at 01 <sup>st</sup> July, 2024	186,068	45,574	351	1,258,760	726	11,966,281	2,058	56,409	7,795	279,411	13,803,433
Additions	169,525	-	-	-	-	5,605	-	5,299	1,009	20,633	202,071
Transfer from capital work in progress (note 4.5)	-	-	283,141	403,406	-	1,028,619	-	-	-	-	1,715,166
Less: Disposal at NBV	-	-	-	-	-	149	-	-	-	16,247	16,396
Less: Depreciation	-	-	4,739	76,790	42	722,972	240	6,820	1,090	32,935	845,628
Net book value as at 31 <sup>st</sup> January, 2025	355,593	45,574	278,753	1,585,376	684	12,277,384	1,818	54,888	7,714	250,862	14,858,646
Gross carrying value											
At January 31, 2025											
Cost	355,593	45,574	297,389	2,322,630	3,921	20,293,240	5,316	144,129	23,468	474,478	23,965,738
Less: Accumulated depreciation	-	-	18,636	737,254	3,237	8,015,856	3,498	89,241	15,754	223,616	9,107,092
Net book value	355,593	45,574	278,753	1,585,376	684	12,277,384	1,818	54,888	7,714	250,862	14,858,646
Depreciation rate - % per annum	-	-	10	10	10	10 to 30	20	20	20 to 30	20	

<b>Net carrying value</b>											
<b>Year ended June 30, 2024</b>											
Net book value (NBV) as at 01 <sup>st</sup> July, 2023	53,483	45,574	390	774,711	807	4,914,425	2,573	45,925	12,787	183,522	6,034,197
Additions	132,585	-	-	-	-	45,634	-	21,672	-	165,415	365,306
Transfer from capital work in progress (note 4.5)	-	-	-	578,844	-	7,711,595	-	-	-	-	8,290,439
Less: Disposal at NBV	-	-	-	-	-	-	-	-	-	20,328	22,661
Less: Depreciation	-	-	39	94,795	81	705,373	515	11,188	2,659	49,198	863,848
<b>Net book value as at 30<sup>th</sup> June, 2024</b>	<b>186,068</b>	<b>45,574</b>	<b>351</b>	<b>1,258,760</b>	<b>726</b>	<b>11,966,281</b>	<b>2,058</b>	<b>56,409</b>	<b>7,795</b>	<b>279,411</b>	<b>13,803,433</b>

<b>Gross carrying value</b>											
<b>At June 30, 2024</b>											
Cost	186,068	45,574	14,248	1,919,224	3,921	19,260,800	5,316	138,830	22,459	486,306	22,082,746
Less: Accumulated depreciation	-	-	13,897	660,464	3,195	7,294,519	3,258	82,421	14,664	206,895	8,279,313
<b>Net book value</b>	<b>186,068</b>	<b>45,574</b>	<b>351</b>	<b>1,258,760</b>	<b>726</b>	<b>11,966,281</b>	<b>2,058</b>	<b>56,409</b>	<b>7,795</b>	<b>279,411</b>	<b>13,803,433</b>

Depreciation rate - % per annum

20 20 20 20 20 to 30 20

#### 4.2 Depreciation for the year has been allocated as follows:

Cost of sales  
Distribution and selling costs  
Administrative expenses

(Rupees in Thousand)			Note
January	June	2024	
2025	2025	2024	
839,061	850,259	850,259	30
1,554	2,151	2,151	31
5,013	11,438	11,438	32
<b>845,628</b>	<b>863,848</b>	<b>863,848</b>	

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#### 4.3 Detail of property, plant and equipment disposed off during the period/year :

(Rupees in Thousand)

Description	Cost	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
<b>PLANT AND MACHINERY</b>						
Items having book value upto Rs.500 thousand each	1,784	149	430	281	Negotiation	Messrs. Saeed Enterprise HB Mansion, Lyari Karachi
<b>Sub Total</b>	<b>1,784</b>	<b>149</b>	<b>430</b>	<b>281</b>		
<b>MOTOR VEHICLES</b>						
HONDA CIVIC ORIEL BQC-855	3,489	1,050	2,114	1,064	Company Policy	Mr. Mohammed Zubair Employee of the company
HYUNDAI TUCSON BM-6174	8,013	7,746	8,063	317	Company Policy	Mr. Mubin Jaliawala Employee of the company
TOYOTA COROLLA GLI BQG-941	2,369	700	1,292	592	Company Policy	Mr. Shaheen Employee of the company
HONDA HR-V BL-1175	6,303	4,084	5,336	1,252	Company Policy	Mr. Abdul Razzak Employee of the company
Items having book value upto Rs.500 thousand each	12,286	2,667	8,043	5,376	Various	Various
<b>Sub Total</b>	<b>32,460</b>	<b>16,247</b>	<b>24,848</b>	<b>8,601</b>		
<b>Total - January 2025</b>	<b>34,244</b>	<b>16,396</b>	<b>25,278</b>	<b>8,882</b>		
Total - June 2024	63,744	22,661	44,749	22,088		

4.4 Particulars of Company's immovable properties are as follows :

Particulars	Location	Approximate Area
<b>Land</b>		
Freehold	Plot#435/43, 441/49, 442/49, 443/49, 446/49/1, 445/49/1, 448/36, 450/41, 452/44, 452/440/44, 453/440/44, 36, 45/1, 53/2, 73-74min & 509/1 at H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	27 Acres
Freehold	Plot#34 & 36 at Manghopir, Gadap Town, Karachi	13 Acres
Leasehold	Plot# 436/43, 437/43, 438/43, 439/44, 449/41, 451/440/44, 44, 50, 50/1, 52, 52/1 & 53/1 at H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	35 Acres
<b>Building</b>		
On Freehold land	H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	11,500 Sq. Meters
On Leasehold land	H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	152,200 Sq. Meters
Office Premises	Office#1,3-A, 3-B, 5 & 7 at Textile Plaza, M.A Jinnah Road / Dunolly Road Karachi	350 Sq. Meters
<b>Office Premises</b>		
Karachi	Office#207-212, Gul Tower, I.I Chundrigar Road, Karachi	225 Sq. Meters
Quetta	Room#32, Ahmed Complex, Jinnah Road, Quetta	30 Sq. Meters
Quetta	Room#7, Saleem Plaza, Jinnah Road, Quetta	105 Sq. Meters
Faisalabad	Madina Plaza, Katcheri Bazar, Faisalabad	160 Sq. Meters

4.5 Capital Work-in-Progress

	(Rupees in Thousand)			
	Balance as at July 1, 2024	Additions	Transfer to Operating fixed assets	Balance as at January 31, 2025
Factory building under construction	673,078	13,469	(686,547)	-
Plant and machinery under erection	4,175,481	1,024,363	(1,028,619)	4,171,225
	<b>4,848,559</b>	<b>1,037,832</b>	<b>(1,715,166)</b>	<b>4,171,225</b>
	(Rupees in Thousand)			
	Balance as at July 1, 2023	Additions	Transfer to Operating fixed assets	Balance as at June 30, 2024
Factory building under construction	873,926	377,996	(578,844)	673,078
Plant and machinery under erection	10,030,172	1,856,904	(7,711,595)	4,175,481
	<b>10,904,098</b>	<b>2,234,900</b>	<b>(8,290,439)</b>	<b>4,848,559</b>

4.5.1 It includes borrowing cost of Rs.516.994 million (June 2024: Rs.388.970 million) and net of with amortization of government scheme amounting to Rs.327.486 million (June 2024: Rs.236.258 million). Effective rate of borrowing cost ranges between 3% to 24.53% (June 2024: 3% to 22.80%).

4.6 Right of use assets

Rented premises

Balance as at start of the period/year  
Additions during the period/year  
Depreciation for the period/year  
Balance as at end of the period/year

4.6.1 Allocation of depreciation

Distribution and selling costs  
Administrative expenses

Note

(Rupees in Thousand)		
January 2025	June 2024	
108,825	-	
-	132,545	
(15,463)	(23,720)	
<b>93,362</b>	<b>108,825</b>	
4,881	5,579	31
10,582	18,141	32
<b>15,463</b>	<b>23,720</b>	
60,152	70,177	
(5,848)	(10,025)	32
<b>54,304</b>	<b>60,152</b>	
<b>8 Years</b>	<b>8 Years</b>	
80,202	80,202	
(25,898)	(20,050)	
<b>54,304</b>	<b>60,152</b>	

5 INTANGIBLE ASSETS

Software & licences

Balance as at start of the period/year  
Amortization during the period/year  
Balance as at end of the period/year  
Useful life

Gross carrying value

Cost  
Accumulated amortization



		(Rupees in Thousand)	
		January 2025	June 2024
6	<b>LONG TERM INVESTMENTS</b>		
	<b>Wholly Owned Subsidiary Companies-Unquoted</b>		
	22.575 million (June 2024: 22.575 million) shares including 7.525 million bonus shares in Messrs. Gatro Power (Private) Limited	6.1 150,500	150,500
	55,000 (June 2024: 55,000) shares in Messrs. Global Synthetics Limited	6.2 550	550
	Impairment loss	6.3 (424)	(400)
		126	150
	25 million (June 2024: 25 million) shares in Messrs. G-Pac Energy (Private)	6.4 250,000	250,000
	Present value discounting impact of interest free long term loan to Messrs. G-Pac Energy (Private) Limited	6.5 206,527	221,916
	Impairment loss	6.6 (130,089)	(113,103)
		326,438	358,813
		477,064	509,463
6.1	The value of investment on the basis of the net assets, as reported in its audited financial statements as at January 31, 2025 amounted to Rs.1,691.885 million (June 2024: Rs.1,677.857 million).		
6.2	The value of the investment on the basis of the net assets, as reported in its audited financial statements as at January 31, 2025 amounted to Rs.126 thousand (June 2024: Rs.150 thousand).		
6.3	<b>Impairment loss</b>		
	Balance as at start of the period/year	400	349
	Charge for the period/year	24	51
	Balance as at end of the period/year	424	400
6.4	The value of the investment on the basis of the net assets, as reported in its audited financial statements as at January 31, 2025 amounted to Rs.326.438 million (June 2024: Rs.358.813 million).		
6.5	This represents difference between receipt value and present value at the time of disbursement at relevant risk free rate of interest free loan given to Subsidiary Company. (See Note 7).		
6.6	<b>Impairment loss</b>		
	Balance as at start of the period/year	113,103	74,797
	Charge for the period/year	16,986	38,306
	Balance as at end of the period/year	130,089	113,103
7	<b>LONG TERM LOANS - Considered good</b>		
	<b>Unsecured - Interest free</b>		
	To subsidiary company - M/s. G-Pac Energy (Private) Limited		
	Balance at start of the period/year	545,409	244,209
	Addition during the period/year	11,400	364,750
	Repayment during the period/year	(325,100)	(63,550)
		7.1 231,709	545,409
	Present value adjustment taken to long term investments	6.5 (206,527)	(221,916)
	Amortization of long term loan	7.2 130,401	95,087
		155,583	418,580
	Current portion of long term loan to subsidiary company	13 -	(22,500)
		155,583	396,080
	<b>Secured - Interest free</b>		
	To employees other than Chief Executive & Directors	7.3 & 7.4 19,347	22,479
	Amount due in twelve months shown under current assets	13 (17,388)	(13,084)
	Recoverable within three years	1,959	9,395
		157,542	405,475
7.1	This represents interest free long term loan given to Subsidiary Company Messrs. G-Pac Energy (Private) Limited for period of three years and repayment of remaining loan commencing from January 2026, hence no current maturity.		
7.2	The Company has recorded the interest free long term loan given to Subsidiary Company Messrs. G-Pac Energy (Private) Limited at its present value by discounting the future cash flows at risk free rate. The amount of difference between loan and its present value is transferred to other income during the tenor of loan.		
7.3	The above loans are under the terms of employment and are secured against the post employment benefits of the employees.		
7.4	Interest free long term loans have been carried out at cost as the effect of carrying these balances at amortized cost is not material.		

		(Rupees in Thousand)	
		January 2025	June 2024
<b>8</b>	<b>LONG TERM DEPOSITS</b>		
	Security deposits for utilities and others	6,936	6,936
<b>9</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
	In hand:		
	Stores	718,513	920,101
	Spare parts	1,181,898	1,176,466
	Loose tools	6,486	6,822
		1,906,897	2,103,389
	Impairment allowance for slow moving stores, spare parts and loose tools	(129,540)	(117,911)
		1,777,357	1,985,478
	In transit	-	4,843
		1,777,357	1,990,321
<b>9.1</b>	<b>Impairment allowance for slow moving stores, spare parts and loose tools</b>		
	Balance as at start of the period/year	117,911	96,877
	Provision during the period/year	11,629	21,034
	Balance as at end of the period/year	129,540	117,911
<b>10</b>	<b>STOCK IN TRADE</b>		
	Raw and packing material	2,109,137	2,255,082
	Raw and packing material in transit	53,000	4,122
	Goods in process	670,454	1,392,301
	Unfinished goods held for sale	12,187	32,744
	Finished goods	4,483,304	3,818,775
		7,328,082	7,503,024
<b>10.1</b>	These include items costing Rs.76.197 million (June 2024: Rs.90.368 million) valued at net realizable value of Rs.60.914 million (June 2024: Rs.74.586 million).		
<b>11</b>	<b>TRADE DEBTS</b>		
	<b>Considered good</b>		
	Secured		
	Local	146,209	-
	Export	65,828	38,146
		212,037	38,146
	Unsecured - local	3,195,659	3,478,079
		3,407,696	3,516,225
	<b>Considered doubtful</b>		
	<b>Allowance for expected credit loss - local</b>		
	Unsecured - local	159,623	170,820
	Allowance for ECL - local	(159,623)	(170,820)
		-	-
		3,407,696	3,516,225
<b>11.1</b>	These represent balances of US\$ 0.236 million (June 2024: US\$ 0.137 million).		
<b>11.2</b>	These include Rs.53.292 million (June 2024: Rs.0.415 million) due from a related party Messrs. G-Pac Corporation and this balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.53.292 million (June 2024: Rs.0.415 million).		
<b>11.3</b>	These are secured against letters of credit issued by banks in favour of the Company.		
<b>11.4</b>	These include Rs.41.644 million (June 2024: Rs.Nil) due from a related party Messrs. Novatex Limited and this amount is not past due and not outstanding for more than three months. The maximum aggregate amount due at any month end during the period/year was Rs.567.652 million (June 2024: Rs.923.309 million).		
<b>11.5</b>	These include Rs.Nil (June 2024: Rs.15.341 million) due from a related party Messrs. Krystalite Products (Private) Limited. The maximum aggregate amount due at any month end during the period/year was Rs.15.341 million (June 2024: Rs.117.848 million).		

		(Rupees in Thousand)	
		January 2025	June 2024
<b>11.5.1</b>	Not past due	-	8
	Past due 31-90 days	-	15,328
	Above 90 days	-	95
		-	15,431

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- 11.6 These include Rs.Nil (June 2024: Rs.Nil) due from a related party Messrs. Mushtaq & Company (Private) Limited. The maximum aggregate amount due at any month end during the period/year was Rs.Nil (June 2024: Rs.1.296 million).
- 11.7 These include Rs.273.511 (June 2024: Rs.180.901 million) due from a related party Messrs. Mustaqim Dyeing & Printing Industries (Private) Limited. The maximum aggregate amount due at any month end during the period/year was Rs.296.071 million (June 2024: Rs.257.035 million).

		(Rupees in Thousand)	
		January 2025	June 2024
Note			
11.7.1	Not past due	6,722	12,216
	Past due 1-30 days	11,659	41,617
	Past due 31-90 days	59,162	71,599
	Past due 91-180 days	117,161	52,214
	Past due 180 days	78,807	3,255
		<u>273,511</u>	<u>180,901</u>
11.8	<b>Allowance for ECL - local</b>		
	Balance as at start of the period/year	170,820	118,179
	Charge for the period/year	66,726	162,872
	Reversals since recovered	(77,923)	(110,231)
		<u>(11,197)</u>	<u>52,641</u>
	Balance as at end of the period/year	<u>159,623</u>	<u>170,820</u>
12	<b>LOANS AND ADVANCES - Considered good</b>		
	<b>Secured</b>		
	Advances to employees	12.1	4,407
	<b>Unsecured</b>		
	Advances:		
	to suppliers and contractors	12.2 & 12.3	151,214
	for imports	-	440,180
		<u>151,214</u>	<u>16,071</u>
		<u>155,621</u>	<u>456,251</u>
			<u>460,483</u>
12.1	These represent advances against monthly salaries under the terms of employment.		
12.2	These include advances against purchase of vehicles Rs.9.114 million (June 2024: Rs.4.216 million).		
12.3	These include Rs.16.348 million (June 2024: Rs.53.611 million) paid to a subsidiary company Messrs. Gatro Power (Private) Limited, on account of power supply and this amount is not past due and not outstanding for more than three months. The maximum aggregate amount due at any month end during the period/year was Rs.16.348 million (June 2024: Rs.225 million).		
13	<b>CURRENT PORTION OF LONG TERM LOANS</b>		
	Current portion of long term loan to subsidiary company	7	-
	Loan recoverable in twelve months from employees	7	22,500
		<u>17,388</u>	<u>13,084</u>
		<u>17,388</u>	<u>35,584</u>
14	<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
	Margins held by banks	14.1	-
	Security deposits		26,908
	Prepayments		2,830
		<u>77,398</u>	<u>39,999</u>
		<u>80,228</u>	<u>4,618</u>
			<u>71,525</u>
14.1	This represents margin held by bank against opening of Letters of Credit.		
15	<b>OTHER RECEIVABLES - Considered good</b>		
	Receivable from suppliers	15.1	92,613
	Claims receivable from suppliers		130,810
	Sales tax refundable		7,357
	Partial alleged sales tax demand paid	28.1.4, 28.1.16 &	160,311
		28.1.18	30,472
	Partial alleged income tax demand paid	28.1.13 &	30,472
		28.1.20	43,169
	Others	15.2 & 15.3	8,502
		<u>342,424</u>	<u>43,169</u>
			<u>44,703</u>
			<u>884,648</u>
15.1	These includes balances receivable in foreign currency of US\$ 0.227 million (June 2024: US\$ 0.429 million) against claim and others.		

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15.2 These include related parties are as follows:

- a) These include Rs.4.121 million (June 2024: Rs.Nil) receivable from a subsidiary company Messrs. Gatro Power (Private) Limited, mainly on account of plant operation arrangement and this balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.8.260 million (June 2024: Rs.21.857 million).
  - b) These include Rs.0.500 million (June 2024: Rs.Nil) receivable from a subsidiary company Messrs. G-Pac Energy (Private) Limited on account of reimbursement of expenses and this balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.0.500 million (June 2024: Rs.10 thousand).
  - c) These include Rs.Nil (June 2024: Rs.23.192 million) receivable from a related party Messrs. Novatex Limited on account of common sharing expenses and balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.175.499 million (June 2024 Rs.175.340 million).
  - d) These include Rs.0.015 million (June 2024: Rs.2.459 million) receivable from a related party Messrs. Krystalite Product (Private) Limited on account of reimbursement of expenses and this balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.2.459 million (June 2024: Rs.2.784 million).
  - e) These include Rs.Nil (June 2024: Rs.Nil) receivable from a related party Messrs. Ghani & Tayub (Private) Limited and this balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.Nil (June 2024: Rs.1.126 million).
  - f) These include Rs.0.098 million (June 2024: Rs.0.050 million) receivable from a related party Messrs. Nova Mobility (Private) Limited and this balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.0.132 million (2024: Rs.0.050 million).
- 15.3 These include Rs.Nil (June 2024: Rs.10.886 million) receivable from Custom Authority against excess custom duty paid during the period/year.

## 16 CASH AND BANK BALANCES

Cash in hand

Cash at banks

In current accounts : Local currency

In saving accounts : Local currency

In current accounts : Foreign currency

Note

(Rupees in Thousand)

January 2025 June 2024

3,850 3,434

648,593 87,663

2,141 1,574

29,724 204,337

680,458 293,574

684,308 297,008

- 16.1 These include security deposits received from contractors Rs.2.035 million (June 2024 Rs.1.535 million) refer note 22.7. These carries profit ranging from 5.80% to 19.26%.
- 16.2 These represent balances of US\$ 105,922.62 and Euro € 629.98 (June 2024: US\$ 733,557.41 and Euro € 629.98).
- 16.3 Balance in bank accounts includes an amount of Rs.60.768 million (June 2024: Rs.158.477 million) kept with Shariah compliant banks.

## 17 SHARE CAPITAL

( Number of Shares )

January 2025 June 2024

Note

(Rupees in Thousand)

January 2025 June 2024

- 17.1 Authorized capital 130,000,000 Ordinary shares of Rs.10 each

1,300,000 1,300,000

- 17.2 Issued, subscribed and paid up capital
- 62,136,080 62,136,080 Ordinary shares of Rs.10 each allotted for consideration paid in cash
- 46,592,880 46,592,880 Ordinary shares of Rs.10 each allotted as fully paid bonus shares
- 108,728,960 108,728,960

621,361 621,361

465,929 465,929

1,087,290 1,087,290

- 17.2.1 These include 3,240,774 (June 2024: 3,240,774) shares held by a related parties, Messrs. Ghani & Tayub (Private) Limited and 31,895,139 (June 2024: 31,895,139) shares held by Messrs. Nova Frontiers Limited. (Also see note 1.3 related to Scheme of Arrangement).

## 18 CAPITAL RESERVES

Share premium

Capital expenditure and BMR

18.1

18.2

5,656,603 5,656,603

6,000,000 6,000,000

11,656,603 11,656,603

- 18.1 This represents premium of Rs.20 per share received on initial public issue of 17,438,400 shares in 1992, premium of Rs.10 per share received on right issue of 3,487,680 shares in 1998 and premium of Rs.165 per share received on right issue of 32,000,000 shares in 2024 and net with share issuance cost of Rs.7.042 million. This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act 2017.



- 18.2 The Board of Directors of the Company in its meeting held on June 26, 2023 decided to earmark a sum of PKR 6,000 million as not available for distribution by way of dividend on account of capacity expansions and Balancing modernization and replacement (BMR) to more accurately reflect the nature of these reserves.

**19 LONG TERM FINANCING - Secured**

from banking companies Under Shariah compliant

Meezan Bank Limited  
Dubai Islamic Bank Pakistan Limited  
United Bank Limited  
Bank Al-Falah Limited  
Meezan Bank Limited  
Habib Metropolitan Bank Limited  
Faysal Bank Limited  
Faysal Bank Limited  
Habib Bank Limited  
Bank Al-Habib Limited  
First Habib Modaraba  
Soneri Bank Limited  
Bank Al-Habib Limited

Note

(Rupees in Thousand)  
January 2025 June 2024

19.1	1,722,761	1,876,836
19.2	48,697	54,815
19.3	1,396,489	1,353,117
19.4	824,882	894,258
19.5	1,242,132	1,348,376
19.6	76,420	80,006
19.7	166,013	178,018
19.8	1,038,923	1,123,815
19.9	2,239,179	2,116,194
19.10	122,437	120,031
19.11	382,050	430,470
19.12	33,528	27,280
19.13	95,000	100,000
	<u>9,388,511</u>	<u>9,703,216</u>
	<u>(1,323,010)</u>	<u>(1,196,089)</u>
	<u>8,065,501</u>	<u>8,507,127</u>

Current maturity shown under current liabilities

- 19.1 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.2,500 million out of which Rs.2,465.193 million (June 2024: Rs.2,465.193 million) obtained during June 2019 to June 2021 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during June 2029 to June 2031 on their respective maturities. The applicable rate of return is relevant SBP rate+2% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the period/year  
Repayments during the period/year  
Balance as at end of the period/year

1,876,836	2,184,985
(154,075)	(308,149)
<u>1,722,761</u>	<u>1,876,836</u>

- 19.2 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.120 million out of which Rs.88.204 million (June 2024: Rs.88.204 million) obtained during February 2020 to September 2021 for procurement of solar panels/solar plant. Principal is repayable alongwith profit in 20 equal half yearly installments, commencing after a grace period of three months and expiring during February 2030 to September 2031 on their respective maturities. The applicable rate of return is relevant SBP rate+1.50% bank profit. IFRE facility is secured against the hypothecation charge over specific plant and machinery (solar equipments).

Balance as at start of the period/year  
Repayments during the period/year  
Balance as at end of the period/year

54,815	67,250
(6,118)	(12,435)
<u>48,697</u>	<u>54,815</u>

- 19.3 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.2,200 million out of which Rs.2,200 million (June 2024: Rs.2,200 million) having present value of Rs.1,396.489 million (June 2024: Rs.1,353.117 million) obtained during February 2021 to October 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during February 2031 to October 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1.25% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the period/year  
Amortization of government scheme  
Repayments during the period/year  
Balance as at end of the period/year

1,353,117	1,396,382
75,692	115,838
(32,320)	(159,103)
<u>1,396,489</u>	<u>1,353,117</u>

- 19.4 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.1,000 million out of which Rs.1,000 million (June 2024: Rs.1,000 million) having present value of Rs.824.882 million (June 2024: Rs.894.258 million) obtained during April 2021 to September 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during April 2031 to September 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the period/year  
Amortization of government scheme  
Repayments during the period/year  
Balance as at end of the period/year

894,258	905,805
9,532	15,609
(78,908)	(27,156)
<u>824,882</u>	<u>894,258</u>

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- 19.5 This represents Diminishing Musharakah amounting to Rs.1,900 million out of which Rs.1,554.482 million (June 2024: Rs.1,554.482 million) obtained during August 2021 to August 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 12 equal half yearly installments, commencing after a grace period of one years and expiring during August 2028 to August 2029 on their respective maturities. The applicable rate of profit is 6 months KIBOR+0.10%. The outstanding principal sum and accrued profit thereon are secured by way of specific/exclusive hypothecation charge over plant and machinery.

Balance as at start of the period/year  
Repayments during the period/year  
Balance as at end of the period/year

(Rupees in Thousand)	
January 2025	June 2024
1,348,376	1,554,482
(106,244)	(206,106)
<u>1,242,132</u>	<u>1,348,376</u>

- 19.6 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.120 million out of which Rs.119.904 million (June 2024: Rs.119.904 million) having present value of Rs.76.420 million (June 2024: Rs.80.006 million) obtained during July 2021 to March 2023 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during July 2031 to March 2033 on their respective maturities. The applicable rate of profit is relevant SBP rate+1% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the period/year  
Amortization of government scheme  
Repayments during the period/year  
Balance as at end of the period/year

80,006	76,165
3,979	6,068
(7,565)	(2,227)
<u>76,420</u>	<u>80,006</u>

- 19.7 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.280 million out of which Rs.217.113 million (June 2024: Rs.217.113 million) obtained during July 2021 to February 2023 for procurement of plant & machinery (solar equipments). Principal is repayable alongwith profit in 20 equal half yearly installments, commencing after a grace period of three months and expiring during September 2031 to May 2033 on their respective maturities. The applicable rate of return is relevant SBP rate+1% bank profit. IFRE facility is secured against the specific hypothecation charge over plant and machinery (solar equipments).

Balance as at start of the period/year  
Repayments during the period/year  
Balance as at end of the period/year

178,018	198,039
(12,005)	(20,021)
<u>166,013</u>	<u>178,018</u>

- 19.8 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.1,200 million out of which Rs.1,142.508 million (June 2024: Rs.1,142.508 million) obtained during October 2021 to April 2023 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during October 2031 to June 2032 on their respective maturities. The applicable rate of profit is relevant SBP rate+1% bank profit. Out of total principal, SBP has not disbursed loan amounting to Rs.706.811 million under ILTFF Scheme, therefore bank is charging profit at 3 months KIBOR on those disbursements. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the period/year  
Repayments during the period/year  
Balance as at end of the period/year

1,123,815	1,142,508
(84,892)	(18,693)
<u>1,038,923</u>	<u>1,123,815</u>

- 19.9 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.3,000 million out of which Rs.2,251.409 million (June 2024: Rs.2,116.194 million) obtained during June 2022 to September 2024 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during June 2032 to September 2034 on their respective maturities. The applicable rate of profit is relevant SBP rate+1% bank profit. Out of total principal, SBP has not disbursed loan amounting to Rs.2,225.972 million under ILTFF Scheme, therefore bank is charging profit at 3 months KIBOR+0.25% on those disbursements. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the period/year  
Obtained during the period/year  
Repayments during the period/year  
Balance as at end of the period/year

2,116,194	1,279,978
135,215	836,216
(12,230)	-
<u>2,239,179</u>	<u>2,116,194</u>

- 19.10 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.200 million out of which Rs.200 million (June 2024: Rs.200 million) having present value of Rs.122.437 million (June 2024: Rs.120.031 million) obtained during August 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during August 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the period/year  
Amortization of government scheme  
Repayments during the period/year  
Balance as at end of the period/year

120,031	106,279
8,656	13,752
(6,250)	-
<u>122,437</u>	<u>120,031</u>

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- 19.11 This represents Diminishing Musharakah amounting to Rs.508 million out of which Rs.457.200 million (June 2024: Rs.457.200 million) obtained during September 2023 to December 2023 for purchase of plant and machinery. Principal is repayable alongwith profit in 20 equal quarterly installments, and expiring during September 2028 to December 2028 on their respective maturities. The applicable rate of profit is 3 months KIBOR+0.50% to 0.75%. The outstanding principal sum and accrued profit thereon are secured by way of specific/exclusive hypothecation charge over plant and machinery.

Balance as at start of the period/year  
Loan obtained during the period/year  
Repayments during the period/year  
Balance as at end of the period/year

(Rupees in Thousand)	
January 2025	June 2024
430,470	457,200
-	(26,730)
(48,420)	
382,050	430,470

- 19.12 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.38 million out of which Rs.33.528 million (June 2024: Rs.27.280 million) obtained during June 2024 to December 2024 for procurement of plant & machinery (solar equipments). Principal is repayable alongwith profit in 20 equal half yearly installments, commencing after a grace period of three months and expiring in June 2034 on their respective maturities. The applicable rate of return is relevant SBP rate+4% bank profit. IFRE facility is secured against the specific hypothecation charge over plant and machinery (solar equipments).

Balance as at start of the period/year  
Loan obtained during the period/year  
Balance as at end of the period/year

27,280	-
6,248	27,280
33,528	27,280

- 19.13 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.100 million out of which Rs.100 million (June 2024: Rs.100 million) obtained during May 2024 to June 2024 for procurement of plant & machinery (solar equipments). Principal is repayable alongwith profit in 20 equal half yearly installments, commencing after a grace period of three months and expiring in May 2034 on their respective maturities. The applicable rate of return is relevant SBP rate+4% bank profit. IFRE facility is secured against the specific hypothecation charge over plant and machinery (solar equipments).

Balance as at start of the period/year  
Loan obtained during the period/year  
Repayments during the period/year  
Balance as at end of the period/year

100,000	-
-	100,000
(5,000)	-
95,000	100,000

## 20 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Balance as at start of the period  
Additions during the period/year  
Accretion of interest  
Payment of lease liabilities

122,769	-
-	132,545
13,605	22,495
(21,192)	(32,271)
115,182	122,769
(19,869)	(15,020)
95,313	107,749

Current maturity shown under current liabilities  
Balance as at end of the period/year

### Lease liabilities are payable as follows:

Within one year  
Later than one year and not later than five years  
Total minimum lease payments  
Less: Financial charges allocated to future periods  
Present value of minimum lease payments  
Less: Current portion of lease liabilities

(Rupees in Thousand)			
January 2025		June 2024	
Minimum Lease Payments	Present Value of Lease Payments	Minimum Lease Payments	Present Value of Lease Payments
40,383	19,869	38,263	15,020
120,055	95,313	143,366	107,749
160,438	115,182	181,629	122,769
(45,256)	-	(58,860)	-
115,182	115,182	122,769	122,769
(19,869)	(19,869)	(15,020)	(15,020)
95,313	95,313	107,749	107,749

## 21 DEFERRED LIABILITIES AND INCOME

### Deferred Liabilities

Income tax - net  
Defined benefit plan  
Provision for Gas Infrastructure Development Cess (GIDC)

### Deferred income

Deferred Income - Government scheme

Note

21.1  
21.2  
21.3

21.4

(Rupees in Thousand)	
January 2025	June 2024
-	-
651,808	624,077
-	-
622,683	716,751
1,274,491	1,340,828



		(Rupees in Thousand)	
		January 2025	June 2024
21.1	This comprises of the following major timing differences:		
	<b>Taxable temporary difference arising due to:</b>		
	Tax depreciation allowances	1,180,392	1,077,973
	Right of use asset	33,403	35,603
	<b>Deductible temporary difference arising due to:</b>		
	Impairment allowance for ECL	(46,291)	(49,538)
	Impairment allowance for slow moving stores, spare parts and loose tools	(36,972)	(33,663)
	Tax losses adjustable against future tax liability	(1,130,532)	(1,030,375)
		-	-
At the reporting date, deferred tax asset amounting to Rs.1,495.455 million (June 2024: Rs.743.283 million) has not been recognized considering remote chances of reversal.			
21.1.1	<b>Movement in deferred tax</b>		
	Balance as at start of the period/year	-	219,047
	(Reversal)/charge for the period/year	-	(219,047)
	Balance as at end of the period/year	-	-
21.2	Actuarial valuation of the plan was carried out as at January 31, 2025. The calculation for obligation of defined benefit plan is as under:		
	<b>Movement of the present value of defined benefit obligation (PVDBO)</b>		
	Balance as at start of the period/year	624,077	567,977
	Expense for the period/year	86,731	130,509
	Remeasurement gain	(29,252)	(38,496)
	Payments during the period/year	(29,748)	(35,913)
	Balance as at end of the period/year	651,808	624,077
21.2.1	<b>Expense for the period / year</b>		
	Current service cost	36,979	43,881
	Interest cost	49,752	86,628
		86,731	130,509
	<b>Allocation are as follows:</b>		
	Cost of Sales	44,473	58,601
	Distribution and selling costs	3,391	3,399
	Administrative expenses	38,867	68,509
		86,731	130,509
	<b>The principal actuarial assumptions used were as follows:</b>		
	Discount rate	12.25%	14.00%
	Future salary increase rate	12.25%	14.00%
	Withdrawal Rate	High	High
	Mortality	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005

#### Sensitivity Analysis

	January 2025		June 2024	
	PVDBO (Rupees in Thousand)	Percentage Change	PVDBO (Rupees in Thousand)	Percentage Change
Current Liability	651,808	-	624,077	-
+ 1% Discount Rate	622,747	-4.46%	596,252	-4.46%
- 1% Discount Rate	685,515	5.17%	656,350	5.17%
+ 1% Salary Increase Rate	688,397	5.61%	659,110	5.61%
- 1% Salary Increase Rate	619,860	-4.90%	593,488	-4.90%
+ 10% Withdrawal Rates	650,470	-0.21%	622,796	-0.21%
- 10% Withdrawal Rates	653,205	0.21%	625,414	0.21%
1 Year Mortality age set back	651,827	0.00%	624,095	0.00%
1 Year Mortality age set forward	651,789	(0.00%)	624,059	(0.00%)

#### Maturity profile

	(Rupees in Thousand)	
	January 2025	June 2024
	Undiscounted payments	
Year 1	182,222	202,892
Year 2	23,160	25,787
Year 3	12,872	14,332
Year 4	34,112	37,982
Year 5	28,789	32,054
Year 6 to 10	115,145	128,206
Year 11 and above	414,057	461,024

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## Risks Associated with Defined Benefit Plan

### Longevity Risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

### Salary Increase Risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

### Withdrawal Risk:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

		(Rupees in Thousand)	
		January 2025	June 2024
<b>21.3</b>	<b>Provision for Gas Infrastructure Development Cess</b>		
	Balance at start of the period/year	86,834	84,416
	Remeasurement gain on discounting of provision for GIDC	(1,173)	(12,664)
	Un-winding of long term provision for GIDC	1,197	15,082
		86,858	86,834
	Current portion of Gas Infrastructure Development Cess	(86,858)	(86,834)
		-	-

The Honorable Supreme Court of Pakistan has decided the Appeal against consumers upholding the vires of GIDC Act, 2015 through its judgement dated August 13, 2020. The Review Petition was filed against the Judgment, wherein the Honorable Court has provided some relief by increasing the time period for recovery of GIDC from 24 installments to 48 installments and also hold that GIDC relating to period prior to the GIDC Act, 2015 is not recoverable in case the same was not passed on by the Company.

As per judgement of the Honorable Supreme Court of Pakistan, the Company has filed a Civil Suit before the Sindh High Court against payment of GIDC installments on the ground that the Company has not passed on the burden of Cess. The Honorable Court has granted stay order to Plaintiffs whereby the Messrs. Sui Southern Gas Company Limited has been restrained to take any coercive action against non payment of GIDC installments.

The Company has recorded the provision at its present value by discounting the future cash flows at risk free rate.

### 21.4 Deferred Income - Government scheme

This represents the value of benefit of below-market markup rate on the loans obtained under Islamic Temporary Economic Refinance Scheme (ITERF) disclosed in note 19.3, 19.4, 19.6 & 19.10 to these special purpose un-consolidated financial statements. ITERF scheme is a 'temporary' relief measure taken by the State Bank of Pakistan (SBP) in context of COVID-19 related economic situation and with the objective to provide stimulus to the economy across the board by supporting new investment and BMR of the existing projects in the country. The difference between the fair value of these loans and proceeds received is recorded as Deferred income - Government scheme and the reconciliation of carrying amount is as follows:

Opening balance		884,007	1,035,274
Amortization of government scheme		(97,859)	(151,267)
		786,148	884,007
Current portion of government scheme	26	(163,465)	(167,256)
		622,683	716,751

## 22 TRADE AND OTHER PAYABLES

Trade creditors	22.1 & 22.2	1,378,075	1,091,180
Bills payable	22.3	1,670,329	1,922,650
Accrued expenses	22.4	476,561	439,578
Advance payments from customers - unsecured	22.5 & 22.6	774,247	840,360
Security deposits from contractors	22.7	2,035	1,535
Workers' Welfare Fund	22.8	-	-
Provisions	22.9	1,143,576	1,097,399
Withholding taxes		18,473	18,861
Payable to Provident Fund Trust		1,167	1,103
Other liabilities	22.10 & 22.11	110,211	109,975
		5,574,674	5,522,641

22.1 These include Rs.428.983 million (June 2024: Rs.201.915 million) payable to a related party Messrs. Novatex Limited.

22.2 These include Rs.0.209 million (June 2024: Rs.0.209 million) payable to a related party Messrs. G&T Tyres (Private) Limited.

22.3 These include balances payable in foreign currency of US\$ 5.978 million (June 2024: US\$ 6.735 million and Euro:0.150 million).

22.4 These includes related parties balances are as follows:

a) These include Rs.40.773 million (June 2024: Rs.Nil) payable to a subsidiary company Messrs. G-Pac Energy (Private) Limited on account of purchase of power.

b) These include Rs.93.528 million (June 2024: Rs.Nil) payable to a related party Messrs. Novatex Limited on account of obtaining of services and cost sharing expenses.

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- c) These include Rs.Nil (June 2024: Rs.1.300 million) payable to a related party Messrs. Ghani & Tayub (Private) Limited on account of rent.
- d) These include Rs.Nil (June 2024: Rs.0.034 million) payable to a related party Messrs. Nova Mobility (Private) Limited on account of reimbursement of expenses.
- e) These include Rs.0.101 million (June 2024: Rs.Nil) payable to a related party Messrs. G-Pac Corporation on account of reimbursement of expenses.
- f) These include Rs.0.591 million (June 2024: Rs.Nil) payable to a related party Messrs. Mustaqim Dyeing & Printing Ind (Pvt) Ltd on account of reimbursement of expenses.
- 22.5 These include Rs.Nil (June 2024: Rs.85.556 million) received from a related party Messrs. Novatex Limited.
- 22.6 Advances from customers at the beginning of the year approx 90% got converted into revenue during the year, to the extent of deliveries made to those customers.
- 22.7 This represents return-free security deposits from contractors held in separate bank account, refer note 16.1.

		(Rupees in Thousand)	
		January 2025	June 2024
22.8	<b>Workers' Welfare Fund</b>		
	Balance as at start of the year	-	22,977
	Reversal of provision - prior year	34	(16,301)
	Adjustment through income tax refund/withholding	27	(6,676)
	Balance as at end of the year	-	-
22.9	<b>Provisions for:</b>		
	Enhanced gas rate	22.9.1 & 22.9.2	56,171
	Infrastructure Cess on imports	22.9.3	795,904
	Sales tax	22.9.4	284,715
	Others	22.9.5	6,786
		<b>1,143,576</b>	<b>1,097,399</b>

22.9.1 The Oil and Gas Regulatory Authority (OGRA) had enhanced gas rate from Rs.488.23 per MMBTU for industrial and Rs.573.28 per MMBTU for captive power to Rs.600 per MMBTU with effect from September 01, 2015. The Company alongwith several other companies filed suit in the Sindh High Court challenging the increase in rate. The Honorable Sindh High Court had initially granted interim relief, whereby recovery of enhanced rate was restrained. In May 2016, the Honorable Single Bench of Sindh High Court decided the case in favor of the Petitioners. However, in June 2016, Defendants filed appeal before the Double Bench of Sindh High Court which was also decided in favor of the Petitioners. Messrs. Sui Southern Gas Company Limited (SSGCL) then have filed appeal and pending before the Honorable Supreme Court of Pakistan. Meanwhile, OGRA had issued another notification dated December 30, 2016 overriding the previous notification and SSGCL billed @ Rs.600 per MMBTU. However, on January 19, 2017, the Company alongwith others filed a suit in the Sindh High Court against OGRA, SSGCL and others. The Honorable Sindh High Court granted interim relief and instructed SSGCL to revise bills at previous rate against securing the differential amount with the Nazir of the Court. Accordingly, the Company has provided bankers' verified cheque to Nazir of High Court amounting to Rs.47.667 million (June 2024: Rs.47.667 million). As an abundant precaution, the Company has made total provision of Rs.40.194 million (June 2024: Rs.40.194 million). On October 04, 2018, OGRA has issued another notification to increase gas tariff with effect from September 27, 2018 for different categories which the Company is paying in full as per the notification. In September 2024, the Honorable Single Bench of Sindh High Court decided the case in favor of the Petitioners. M/s. SSGCL filed an appeal no. HCA 391/2024 dated October, 03 2024 before the Double Bench of Sindh High Court against the decision which has been decided in favour of the petitioners during February 2025.

22.9.2 In August 2013, OGRA had enhanced gas rate from Rs.488.23 per MMBTU to Rs.573.28 per MMBTU for captive power and accordingly, SSGCL started charging rate prescribed for captive power to the Company with effect from September 2013. On December 21, 2015, the Company alongwith several other companies filed suit in the Sindh High Court against OGRA, SSGCL and others challenging the charging of captive power tariff instead of industrial tariff. The Honorable Sindh High Court has granted interim relief, whereby recovery of captive power rate has been restrained. Meanwhile, OGRA had issued another notification dated December 30, 2016 overriding the previous notification and SSGCL billed @ Rs.600 per MMBTU. However, on January 19, 2017, the Company alongwith others filed a suit in the Sindh High Court against OGRA, SSGCL and others. The Honorable Sindh High Court granted interim relief and instructed SSGCL to revise bills at previous rate against securing the differential amount with the Nazir of the Court. Accordingly, the Company has provided bankers' verified cheque to Nazir of High Court (refer note 22.9.1). As an abundant precaution, the Company has made provision of Rs.15.977 million (June 2024: Rs.15.977 million) pertaining to the period of November 2015 to September 2018 and did not create receivable of Rs.13.629 million in respect of period from August 2013 to October 2015. On October 04, 2018, OGRA has issued another notification to increase gas tariff with effect from September 27, 2018 for different categories and the Company is paying full amount of the gas bills as per this notification. In February, 2020, the Honorable Single Bench of Sindh High Court has decided the case in favor of Petitioners. SSGCL has filed appeal no. HCA 183/2020 dated October 06, 2020 before the Double Bench of Sindh High Court against the decision and is pending for adjudication.

22.9.3	<b>Movement is as under:</b>		
	Balance as at start of the year	692,719	493,381
	Provision made during the year	103,185	199,338
	Balance as at end of the year	<b>795,904</b>	<b>692,719</b>



The Company had filed a petition CP No.D-1655/2011 dated May 25, 2011 in the Sindh High Court at Karachi against Province of Sindh and Excise and Taxation Department, challenging the levy of Infrastructure Cess on imports. Through an interim order dated May 31, 2011, the Honorable Sindh High Court ordered to pay 50% in cash of this liability effective from December 28, 2006 and to submit bank guarantee for the rest of 50% until the final order is passed. In April 2017, the Government of Sindh has promulgated the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. On October 23, 2017, the Company has also challenged the new Act in the Sindh High Court against Province of Sindh and Excise and Taxation Department and similar stay has been granted by the Honorable Sindh High Court. On June 04, 2021, the Honorable Sindh High Court has passed the judgment in favor of the Government. The Company has filed an appeal in Supreme Court of Pakistan against the judgment. The Honorable Supreme Court of Pakistan, vide interim order dated September 01, 2021, has suspended the operation of the impugned judgement of the Sindh High Court and has further directed the Custom Authorities to release consignments on the basis of bank guarantee equivalent to the amount of levy claimed by the Excise and Taxation Department. Till reporting date, the Company has provided bank guarantee amounting to Rs.828.365 million (June 2024: Rs.778.365 million) in favor of Excise and Taxation Department, in respect of consignments cleared after December 27, 2006 (refer note 28.2). Full provision after December 27, 2006 has been made in these special purpose un-consolidated financial statements as an abundant precaution.

**22.9.4** The Federal Board of Revenue (FBR) vide SRO 491(I)/2016 dated June 30, 2016 made certain amendments in SRO 1125(I)/2011 dated December 31, 2011 including disallowance of input tax adjustment on packing material of textile products. Consequently, input tax adjustment on packing material of textile product was not being allowed for adjustment with effect from July 01, 2016 till June 30, 2018. On January 16, 2017, the Company had challenged the disallowance of input tax adjustment on packing material in the Sindh High Court against Federation of Pakistan and others. The Honorable Sindh High Court has decided the matter in favor of Tax Department, against which the Company has filed an appeal CP 424-K/2021 before the Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan has maintained the High Court decision. Total amount of demand raised by the tax department is Rs.16.757 million, against which appeal dated January 11, 2022 has been filed before CIR(A) which has also been decided against the Company, however, due to certain apparent mistakes in order, rectification application dated November 24, 2022 has been filed, which is pending.

**22.9.5** Provision of Gas Infrastructure Development Cess amounting to Rs.4.131 million (June 2024: Rs.4.131 million) and rate difference of gas tariff Rs.2.655 million (June 2024: Rs.2.655 million) on account of common expenses payable by the Company to a related party Messrs. Novatex Limited.

**22.10** These include Rs.64.781 million (June 2024: Rs.64.600 million) received from employees under Company car policy.

**22.11** These include Rs.1.975 million (June 2024: Rs.Nil) payable to a subsidiary company Messrs. Gatro Power (Private) Limited on account of group taxation.

## **23 UNPAID DIVIDEND**

This represents interim dividend for the year ended June 30, 2023, which remained unpaid to non-resident shareholders of the Company awaiting approval from the State Bank of Pakistan.

		(Rupees in Thousand)	
		January 2025	June 2024
<b>24</b>	<b>ACCRUED MARK UP/PROFIT</b>		
	Profit on long term financing	443,079	526,623
	Mark up/profit on short term borrowings	87,668	16,389
	<b>24.1</b>	<b>530,747</b>	<b>543,012</b>

**24.1** This includes accrued profit of Rs.549.210 million (June 2024: Rs.542.943 million) under Shariah compliant arrangements.

## **25 SHORT TERM BORROWINGS - Secured**

From banking companies under mark up/profit arrangements

Running finance - Under Conventional	1,345	77,733
- Under Shariah compliant	4,433,196	3,337,005
	<b>4,434,541</b>	<b>3,414,738</b>
Short term finance - Under Shariah compliant	49,683	14,825
Export re-finance - Under Shariah compliant	150,000	150,000
	<b>4,634,224</b>	<b>3,579,563</b>

**25.1** The Company has aggregate facilities of short term borrowings amounting to Rs.15,080 million (June 2024: Rs.13,080 million) from various commercial banks (as listed in Note 25.3) out of which Rs.10,446 million (2024: Rs.9,500 million) remained unutilized at the period/year end. The mark up/profit rates during the year for running finance and Musharakah ranges between 9.19% to 22.52%, for short term finance 14.38% to 19.59% and for export refinance 9.40% to 18.40% per annum. These facilities are renewable annually at respective maturities.

**25.2** These arrangements are secured against pari passu hypothecation charge on the stock and book debts of the Company.

**25.3** The finances have been obtained or are available from Askari Bank Limited, Bank Al-Falah Limited, Bank Al-Habib Limited, Dubai Islamic Bank Pakistan Limited, Faysal Bank Limited, Habib Bank Limited, Habib Metropolitan Bank Limited, MCB Bank Limited, Meezan Bank Limited, Soneri Bank Limited, The Bank of Punjab and United Bank Limited.



		(Rupees in Thousand)	
		January 2025	June 2024
<b>26</b>	<b>CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
	Gas Infrastructure Development Cess	<b>21.3</b> 86,858	86,834
	Government scheme	<b>21.4</b> 163,465	167,256
		<b>250,323</b>	<b>254,090</b>
<b>27</b>	<b>PROVISION FOR LEVIES AND INCOME TAX LESS PAYMENTS</b>		
	Balance as at start of the year	206,584	255,432
	Levies / income tax - Current	187,731	424,411
	Levies / income tax - Prior	2,396	(94,553)
		190,127	329,858
		396,711	585,290
	Payments	(196,962)	(384,418)
	Adjustment of income tax refund against tax liability	59,194	-
	Adjustment of Workers' Welfare Fund	22.8 -	6,676
	Adjustment of group taxation	22.11 (1,975)	(964)
		(139,743)	(378,706)
	Balance as at end of the period/year	<b>256,968</b>	<b>206,584</b>

## 28 CONTINGENCIES AND COMMITMENTS

### 28.1 Contingencies

- 28.1.1** FBR initiated action against few customers of the Company for violating/non compliance of the provisions of SRO 1125 dated December 31, 2011 and alleging the Company to provide them assistance and illegal facilitation. The dispute relates to the period of time when supplies were zero rated and as a result of which the Company had to pay Rs.27.762 million and had also to submit post-dated cheques of Rs.83.287 million under protest in favor of Chief Commissioner Inland Revenue.

However, the Company had challenged the action before the Honorable Sindh High Court on December 23, 2013 through suit no. D-4630/2013 against Federation of Pakistan and others. Realizing the facts of the case, circumstances and legal position, the Honorable Sindh High Court has granted interim relief whereby encashment of above mentioned post dated cheques has been restrained.

By way of abundant precaution, the amount of Rs.27.762 million has been charged to un-consolidated statement of profit or loss in previous period i.e. year 2014. On September 04, 2021, the Special Judge Custom and Taxation Court has decided the case in favor of the Company. The FBR has filed appeal at Honorable Sindh High Court Karachi against the decision of Special judge which is pending for adjudication.

- 28.1.2** In May 2015, the Parliament passed the Gas Infrastructure Development Cess (GIDC) Act 2015, which seeks to impose GIDC levy since 2011. On July 16, 2015, the Company along with several other companies filed suit in the Sindh High Court against OGRA and others challenging the validity and promulgation of GIDC Act 2015. The Honorable Single Bench of Sindh High Court had decided the case in favor of Petitioners. However, in May 2020, Defendants have filed appeal before the Double Bench of Sindh High Court. On August 13, 2020, the Honorable Supreme Court of Pakistan finally in the appeals filed by industries of Khyber Pakhtunkhwa, passed a judgment in favor of Government declaring the GIDC Act 2015 intra vires and directed all the Petitioners/Appellants (including industries of all over Pakistan) for payment of Cess liability accrued till July 31, 2020 in 24 equal monthly installments. The Company has filed Review Petition against the Judgment, wherein the Honorable Supreme Court of Pakistan has provided some relief by increasing the time period for recovery of GIDC from 24 installments to 48 installments and also hold that GIDC relating to period prior to the GIDC Act, 2015 is not recoverable in case the same was not passed on by the Company. As per the judgement of Supreme Court of Pakistan, the Company has filed a Suit no.1369/2020 dated October 01, 2024 before the Sindh High Court against payment of GIDC installments on the ground that the Company has not passed on the burden of Cess. The Honorable Sindh High Court has granted stay order to Plaintiffs whereby the Messrs. Sui Southern Gas Company Limited has been restrained to take any coercive action against non payment of GIDC installments.

Total amount of enhanced GIDC upto July 31, 2020 worked out at Rs.129.801 million, however the Company has maintained a provision for Rs.86.858 million pertaining to the period from June 2015 to July 2020 as an abundant precaution.

- 28.1.3** The Company along with several other companies has filed a Constitution Petition no. CP 2085/2016 dated April 13, 2016 in the Honorable Sindh High Court against Employment Old Age Benefits Institution (EOBI) and others against a notice issued by the EOBI to the Company to pay contribution at the revised rate of wages with retrospective effect. The Honorable Sindh High Court has restrained EOBI from taking any coercive action against the Company. On December 03, 2021, the Honorable Sindh High Court has dismissed the Petition. However, the Company has filed an appeal at Supreme Court of Pakistan against the judgment. No provision of the amount involved i.e. Rs.51.078 million (June 2024: Rs.42.340 million) has been made in these special purpose un-consolidated financial statements.



- 28.1.4** The Company filed four appeals on 2nd, 9th, 17th May and 20th June 2018 before the Commissioner Inland Revenue (Appeals) (CIR(A)) - 2, Large Taxpayers Unit, Karachi for the tax periods July 2012 to December 31, 2016 against the assessment orders by the Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, passed under section 11 (2) of the Sales Tax Act, 1990 through which cumulative demand for the aforesaid periods amounting to Rs.55.423 million excluding default surcharge was created. In the assessment orders, major areas on which impugned demand has been raised relates to disallowance of input tax on purchases and recovery of sales tax on sales to subsequently suspended / blacklisted persons. The Company has already deposited Rs.28 million under protest into the Government Treasury for stay against the full recovery (refer note 15). The CIR(A) has issued judgment in respect of impugned order for tax periods July 2012 to June 2013 wherein the entire order of the Tax Officer has been held as illegal and unconstitutional. However, the Tax Department has been filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). The CIR(A) has decided the matter for tax periods July 2013 to June 2014, July 2014 to June 2015 and July 2015 to December 2016 wherein the case has been partially decided in favor for the Company. However, the Company has filed appeals dated March 30, 2022, April 7, 2020 and August 18, 2020 respectively before the ATIR against orders passed by CIR(A). No provision has been made in these special purpose un-consolidated financial statements as the Company is confident that the matter will be decided in favor by the appellate authorities.
- 28.1.5** Tax Department issued order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2012 wherein income tax demand of Rs.37.773 million was raised on various issues. Out of the total amount, the Company paid Rs.3.777 million under protest. Appeal was filed before the CIR(A) and the CIR(A) had decided the case partially in favor of the Company whereas major issues were decided in favor of the Tax Department. Based on the judgment of the CIR(A), the revised demand comes out to Rs.28.2 million. The Company filed an appeal before the ATIR appeal no. ITA No.1452/KB/2018 dated 12-Oct-2018 against the order of the CIR(A) and the learned ATIR, vide its judgment dated January 01, 2019 has decided the case in favor of the Company. As of now, the Tax Department has not yet filed appeal against the said judgment of ATIR.
- 28.1.6** Tax Department issued order under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2015 wherein income tax demand of Rs.25.888 million was raised on various issues. Out of the total amount, the Company paid Rs.2.589 million under protest. Appeal was filed before the CIR(A) and the CIR(A) has decided partially in favor of the Company. Appeal effect in line with CIR(A) order has been issued by the Tax Department wherein an amount of Rs.3.791 million determined as refundable to the Company out of which Rs.1.594 million has been adjusted with the income tax demand pertaining to tax year 2019. Appeal dated 30-May-2019 has been filed by the Company as well as the Tax Department before ATIR, however, no hearing has been conducted till date. Based on the merits of the case and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Company, hence Rs.2.197 million recorded as refundable.
- 28.1.7** The Tax Officer alleged the Company for charging sales tax at reduced rate instead of standard rate of 17% during the tax periods from July 2014 to June 2015 and raised the demand of Rs.1.741 million along with penalty of Rs.0.087 million. The Company has filed an appeal before CIR(A) against order of the Tax Department on the ground that reduced rate was applicable to customers as those customers were active and operative at the time of execution of sales transaction. Moreover, the Tax Department has adjusted the impugned demand with sales tax refunds available with the Company. Appeal was decided in favor of the Company. Tax Department has issued an appeal effect order in line with aforementioned CIR(A) order resulting in refund of Rs.1.828 million for which refund application has been filed. Tax Department has filed an appeal before ATIR dated 28-Oct-2019 against CIR(A) order. Based on the merits of the case and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Company. No provision has been made in these special purpose un-consolidated financial statements.
- 28.1.8** The case of the Company was selected for income tax audit for tax year 2013. The return was amended under section 122(1)/(5) of the Income Tax Ordinance, 2001, however, no income tax demand was raised owing to taxable losses both before and after amendment of the income tax return. Subsequently, the Tax Department again initiated proceedings for further amendment of the already amended income tax return and raised demand of Rs.1.178 million. Demand has been raised mainly because of figurative errors committed by the Additional Commissioner Inland Revenue (ADCIR) against which the Company has moved rectification application and in response thereto rectified order was issued. Moreover, the Company has also filed an appeal before CIR(A) to secure its interest in case rectification application is rejected by the concerned Tax Officer. CIR(A) has decided the matter partially in favor of the Company. Considering that the matter decided against the Company has no material impact, therefore, the Company had not filed an appeal before the ATIR. The Tax Department filed an appeal no. ITA No.376/KB/2017 dated 10-04-2017 before the ATIR against order issued by CIR(A), Quetta, which has not yet been concluded. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company. No provision has been made in these special purpose un-consolidated financial statements.
- 28.1.9** Income tax return of tax year 2014 was amended by the Deputy Commissioner Inland Revenue, Quetta disallowed expenses of Rs.60.7 million vide order dated June 29, 2016 against which the Company filed an appeal before the CIR(A), who vide order dated January 20, 2017 decided the case partially in favor of the Company and partially in favor of Tax Department. The Tax Department has filed an appeal no. ITA No.377/KB/2017 dated 10-04-2017 before the ATIR which has not yet been concluded. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company. No provision has been made in these special purpose un-consolidated financial statements.
- 28.1.10** The Company had filed a petition no. CP No.D-5468 dated August 26, 2019 in Sindh High Court against 3% Minimum Value Addition Tax on import of machinery, which has been levied through Finance Act, 2019. Stay has been granted by the Honorable Sindh High Court against submission of bank guarantee in favor of Nazir of the Court. Till reporting date, the Company has provided 100% bank guarantee amounting to Rs.15.351 million (June 2024: Rs.15.351 million), refer note 28.2. Moreover, through Finance Act, 2020 this levy has been withdrawn from manufacturer w.e.f. July 01, 2020.

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- 28.1.11 Through Finance Act, 2019, the Government has reduced tax credit available on new investment to 5% from 10% with retrospective effect. Consequently, disallowing tax credit of Rs.42 million for tax year 2019. The Company has challenged the provision of Finance Act, 2019 before the Sindh High Court and the Court has decided the matter in favour of the Company to claim 10% tax credit on investment in plant & machinery on the basis of pre-amended position of section 65B. However, Tax department has challenged the judgement of Sindh High Court in Supreme Court of Pakistan through petition no. CPLA 606-K/2023 dated April 30, 2023, which is decided in favour of the Company to the extent of that the machinery purchased and installed both by June 30, 2019. In view of the decision of Supreme Court of Pakistan, the Company has reversed the liability in these special purpose un-consolidated financial statements.
- 28.1.12 The Company had filed a petition no. CP D-573 dated January 26, 2019 before the Sindh High Court wherein the Company had challenged the levy and collection of further sales tax on zero rated supplies imposed vide SRO 584(I)/2017 read with section 3(1A) and section 4 of the Sales Tax Act, 1990. The case has been decided by the Honorable Sindh High Court in favor of the Company. The Tax Department has filed an appeal dated Mar 22, 2021 before the Honorable Supreme Court of Pakistan against the judgment of the Honorable Sindh High Court. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company, however, on a prudent basis Rs.40.395 million has been provided in these special purpose un-consolidated financial statements.
- 28.1.13 The Company had filed a petition before the Sindh High Court wherein the Company had challenged the notice requiring to pay Super Tax for tax year 2018 amounting to Rs.28.187 million and 2019 Rs.31.444 million respectively. The Honorable Sindh High Court has decided the matter against the Company. The Company has filed petition before the Supreme Court of Pakistan against the judgement of the Sindh High Court, hearing of which is pending at the moment. The Company also filed appeals before the CIR(A) against the order passed by DCIR under section 4B of the Income Tax Ordinance, 2001 which has been concluded in favor of the Tax Department. The Company has filed appeals before the ATIR dated September 07, 2021 against the orders passed by the CIR(A). The Company has also paid 50% of demand for auto stay from recovery (refer note 15). The management is confident that the case will ultimately be decided in favor of the Company. However, as an abundant precaution, the Company has not reversed the liability in these special purpose un-consolidated financial statements.
- 28.1.14 Income tax return for tax year 2019 has been amended by the DCIR vide order dated June 29, 2020 creating tax demand of Rs.1.594 million while abolishing refund of Rs.35.819 million as claimed in ITR 2019 against which the Company filed an appeal before the CIR(A), which has been partially decided in favour of the Company resulting in net tax refundable of Rs.4 million, appeal effect order is not yet issued by the Tax Department. The Company as well as Tax Department have filed appeals before the ATIR dated January 13, 2022, which is pending till date. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.
- 28.1.15 Through Finance Act, 2019, section 65B of the Income Tax Ordinance, 2001 was amended to disallow credit on investment in plant & machinery from tax year 2020 and onwards. Consequently, the tax credit in respect of LCs opened on or before 30th June 2019 was also disallowed. The Company has challenged the provision of Finance Act, 2019 before the Sindh High Court and the Court has decided the matter in favour of the Company to claim 10% tax credit on investment in plant & machinery on the basis of pre-amended position of section 65B on machinery arrived in tax year 2020 and 2021. The Tax department has challenged the judgement of Sindh High Court in Supreme Court of Pakistan through petition no. CPLA 649-K/2023 and CPLA 665-K/2023 for TY 2020 & TY 2021 respectively, which is decided in favour of the Company to the extent of that the machinery purchased and installed both by June 30, 2019, and other than that decided in favour of the Tax Department. The Company has filed review petition dated November 29, 2024 before the Supreme Court of Pakistan in case of tax years 2020 and 2021.
- The ADCIR has passed Assessments Orders for the tax years TY 2020 and TY 2021, raised demand amounting Rs.105.230 million and Rs.94.804 million respectively. The Company has paid/adjusted tax demands against available income tax refunds under the protest.
- 28.1.16 The Tax Officer alleged the Company for fake transaction with suspended customer during the tax periods from December 2018 to June 2019 and raised the demand of Rs.1.711 million along with 100% penalty, aggregated demand of Rs.3.421 million. The Company has paid 10% of demand for auto stay from recovery Rs.0.342 million (refer note 15). CIR(A) has decided the case in favour of Company. The Tax Department has filed an appeal dated May 24, 2022 before ATIR against the said judgment. No provision has been made in these special purpose un-consolidated financial statements.
- 28.1.17 Tax Department issued notices thereby disallowing adjustment of Workers Welfare Fund (WWF) against income tax refund of tax year 2018, 2019 and 2020 amounting Rs.16.216 million, Rs.20.373 and Rs.3.022 million respectively. The Company filed petitions CP D-5247 of 2021 dated August 31, 2021 against the said notices before the Honorable Sindh High Court, which has been decided in favour of the Company. However, Tax Department has filed an appeal dated January 24, 2022 before the Honorable Supreme Court of Pakistan. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company. However, full liability of WWF has been provided in respective years special purpose un-consolidated financial statements.
- 28.1.18 Tax Department has raised demand of Rs.21.294 million on the basis of sales tax audit for the tax periods from July 2017 to June 2018. The Company has filed an appeal before the CIR(A). The Company has paid 10% of demand for auto stay from recovery Rs.2.130 million (refer note 15). The CIR(A) has decided the case partially in favor of the Company and partially in favor of Tax Department. The order contains significant errors for which Company has filed rectification application dated November 24, 2022 before CIRA.
- 28.1.19 The Tax Department disallowed expenses of Rs.45.6 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2016. However, no income tax demand was raised owing to taxable losses both before and after amendment of assessment proceedings. Moreover, the Company has filed an appeal before CIR(A), who vide order dated March 16, 2023 decided the case partially in favor of the Company and partially in favor of Tax Department. The Company as well as Tax Department have filed appeals dated May 11, 2023 before the ATIR, which is pending till date. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.



- 28.1.20 The Company has filed a petition no. CP No.D-8011/2022 dated December 23, 2022 before the Honorable Sindh High Court against the levy of Super Tax under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022. The Honorable Sindh High Court held that the Super Tax is not applicable for the tax year 2022. However, the Tax Department has filed petition before the Supreme Court of Pakistan and has issued interim order whereby the Honorable Supreme Court has directed to pay Super Tax to the extent of 4%. Therefore, the Company has paid the Super Tax of Rs. 13.353 million on the direction of the Honorable Supreme Court and in the compliance of the tax department notice as well (refer note 15). The management is confident that the case will be decided in favor of the Company. However, as an abundant precaution, the Company has not reversed the liability in these special purpose un-consolidated financial statements.
- 28.1.21 The Company has filed the petition no. CP D-7001/2022 dated November 12, 2022 in Sindh High Court against conducting Sales Tax Audit for the tax year 2019. The Honorable Sindh High Court has granted interim relief till the decision of the case. The management is confident that the case will be decided in favor of the Company.
- 28.1.22 The Company has filed the petition no. CP D-7732/2022 dated December 15, 2022 before Honorable Sindh High Court against conducting post refund Sales Tax Audit pertaining to the tax year 2016, on the ground of time barred proceeding. The Honorable Sindh High Court has granted interim relief till the decision of the case. Amount is not determined as proceeding not yet initiated. The management is confident that the case will be decided in favor of the Company.
- 28.1.23 The Tax Department disallowed expenses of Rs.52.021 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2020. However, no income tax demand was raised owing to tax refundable position both before and after amendment of assessment proceedings. The Company has filed an appeal dated October 4, 2023 before CIR(A), which has been decided the case in favor of the Company vide order dated November 15, 2023.
- 28.1.24 The Tax Department disallowed expenses of Rs.74 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2022. However, no income tax demand was raised owing to tax refundable position both before and after amendment of assessment proceedings. The Company's appeal dated April 19, 2024 is reserved for order before the CIRA. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.
- 28.1.25 Tax Department has raised demand of Rs.4.684 million on the basis of not charging sales tax on building material for the tax periods from July 2019 to June 2020. CIR(A) has decided the case in favour of Tax Department. The Company has filed an appeal dated March 28, 2024 before ATIR against the said order.

		(Rupees in Thousand)	
		January 2025	June 2024
28.2	<b>Guarantees</b>		
	Bank Guarantees in favour of:		
	The Director Excise & Taxation, Karachi	22.9.3	828,365
	The Electric Inspector, President Licencing Board, Quetta	10	778,365
	Pakistan State Oil Company Limited	41,500	10
	K-Electric Limited	18,496	70,000
	Nazir of the High Court of Sindh, Karachi	28.1.10	18,496
	Letters of Credit in favour of:		
	Sui Southern Gas Company Limited for Gas	38,300	15,351
		942,022	38,300
			920,522
28.3	<b>Commitments</b>		
	The Company's commitments, against which the banks have opened Letters of Credit, in favor of different suppliers, are as follows:		
	Foreign currency:		
	Plant and equipment	392,445	576,401
	Raw and packing material	2,146,906	838,897
	Spare parts and others	126,495	92,163
		2,665,846	1,507,461
	Local currency:		
	Plant and equipment	-	53,509
	Raw material	-	1,426,605
	Spare parts and others	-	11,156
		-	1,491,270
		2,665,846	2,998,731

- 28.3.1 The Company had made an agreement for purchase of land in June 30, 2024 amounting to Rs.133.150 million, out of which Rs.17.225 million paid as advance (refer note 4) which has been capitalized during the period.



		(Rupees in Thousand)		
		Jul-2024 to Jan-2025	Jul-2023 to Jun-2024	
29	<b>SALES</b>	Note		
	Gross local sales		15,605,670	36,719,513
	Third party processing charges		1,846,089	2,196,818
			17,451,759	38,916,331
	Less: Sales tax		2,667,360	5,718,233
			14,784,399	33,198,098
	Export sales		292,607	815,483
			15,077,006	34,013,581
30	<b>COST OF SALES</b>			
	Raw and packing material consumed		8,856,540	22,603,658
	Stores, spare parts and loose tools consumed		488,073	513,497
	Outsource processing charges		-	174,745
	Salaries, wages, allowances and benefits	30.1 & 30.2	1,205,193	2,158,035
	Power, fuel and gas		3,351,207	5,458,452
	Rent, rates and taxes	30.3	10,799	35,554
	Insurance		97,518	146,858
	Cartage & transportation		138,307	326,766
	Repairs and maintenance		45,561	181,464
	Communications & Computer		2,293	8,822
	Water supply		9,669	16,161
	Travelling		7,630	16,275
	Sundry		34,158	54,809
	Depreciation	4.2	839,061	850,259
			15,086,009	32,545,355
	Scrap sales	30.4	(128,910)	(182,947)
			14,957,099	32,362,408
	Opening stock of goods-in-process		1,392,301	429,650
	Opening stock of unfinished goods held for sale		32,744	280,595
	Closing stock of goods-in-process		(670,454)	(1,392,301)
	Closing stock of unfinished goods held for sale		(12,187)	(32,744)
	Cost of goods manufactured		15,699,503	31,647,608
	Opening stock of finished goods		3,818,775	4,097,889
	Closing stock of finished goods		(4,483,304)	(3,818,775)
			15,034,974	31,926,722
30.1	These include Rs.3.830 million (June 2024 Rs.6.578 million) and Rs.44.473 (June 2024: Rs.58.601 million) respectively, representing contribution to defined contribution plan by the Company and expenditure on defined benefit plan.			
30.2	It is net off by Rs.28 million (June 2024: Rs.42 million) in respect of amount received from a subsidiary company Messrs. Gatro Power (Private) Limited against plant operation arrangement.			
30.3	This includes rent expense which pertain to certain short term and low value leases.			
30.4	Net off sales tax amounting to Rs.26.690 million (June 2024: Rs.35.392 million).			
31	<b>DISTRIBUTION AND SELLING COSTS</b>			
	Salaries, allowances and benefits	31.1	38,611	47,840
	Insurance		1,477	5,992
	Rent, rates and taxes	31.2	11,525	14,431
	Handling, freight and transportation	31.3	235,860	200,317
	Advertisement and sales promotion		130	599
	Communications		585	918
	Travelling		1,332	1,380
	Legal and professional fee		-	182
	Sundry		16,594	22,607
	Depreciation	4.2	1,554	2,151
	Depreciation right of use assets	4.6.1	4,881	5,579
			312,549	301,996
31.1	These include Rs.3.391 million (June 2024: Rs.3.399 million) representing expenditure on defined benefit plan.			
31.2	This includes rent expense which pertain to certain short term and low value leases.			
31.3	These include Rs.171.301 million (June 2024: Rs.63.921 million) representing commission expense on local sales.			



		(Rupees in Thousand)	
		Jul-2024 to Jan-2025	Jul-2023 to Jun-2024
	Note		
<b>32 ADMINISTRATIVE EXPENSES</b>			
Salaries, allowances and benefits	32.1	221,342	371,099
Rates and taxes		1,791	1,111
Insurance		4,946	11,772
Repairs and maintenance		11,246	40,318
Travelling		3,167	10,718
Communications		4,293	9,059
Legal and professional fees		6,638	19,789
Utilities		4,819	2,123
Printing and stationery		1,060	330
Transportation		16,620	25,377
Sundry		15,049	30,047
Depreciation	4.2	5,013	11,438
Depreciation right of use assets	4.6.1	10,582	18,141
Amortization of intangible assets	5	5,848	10,025
		<b>312,414</b>	<b>561,347</b>
<b>32.1</b>	These include Rs.Nil (June 2024: Rs.0.018 million) and Rs.38.867 million (2024: Rs.68.509 million) respectively, representing contribution to defined contribution plan by the Company and expenditure on defined benefit plan.		
<b>33 OTHER EXPENSES</b>			
Impairment allowance for ECL - net	11.8	-	52,641
Impairment allowance for slow moving stores, spare parts and loose tools	9.1	11,629	21,034
Impairment in long term investments	6.3 & 6.6	17,010	38,357
Exchange loss - net		9,248	-
Corporate social responsibility	33.1	-	4,954
Auditors' remuneration	33.2	3,488	3,678
		<b>41,375</b>	<b>120,664</b>
<b>33.1</b>	This includes donations of Rs.Nil (June 2024: Rs.3.954 million) to a related party Messrs. Gatron Foundation in which Chief Executive and four directors of the Company are governors and a donation of Rs.Nil (June 2024: Rs.1 million to Messrs. Memon Health and Education Foundation). No Donations amounting to Rs 1,000,000 or 10% of total donation to single donee. None of the directors or their spouses has any interest in any other donee fund, so far as other donations are concerned.		
<b>33.2 Auditors' remuneration</b>			
Audit fee - Special purpose/annual financial statements		2,750	2,750
Limited review, audit of annual consolidated financial statements and certification fee		325	445
Sindh Sales Tax on services		246	256
Out of pocket expenses		167	227
		<b>3,488</b>	<b>3,678</b>
<b>34 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Reversal of impairment allowance for ECL - net	11.8	11,197	-
Profit on deposits		1,304	109,828
		<b>12,501</b>	<b>109,828</b>
<b>Income from non - financial assets &amp; others</b>			
Gain on disposal of property, plant and equipment	4.3.1	8,882	22,088
Liabilities no more payable written back		6,619	29,470
Amortization of interest free long term loan to subsidiary company	7	35,314	41,722
Amortization of Government Scheme	21.4	6,855	12,559
Exchange gain - net		-	44,659
Remeasurement gain on discounting of provision for GIDC	21.3	1,173	12,664
Reversal of provision for Workers' Welfare Fund	22.80	-	16,301
Miscellaneous income	34.1	3,194	359
		<b>62,037</b>	<b>179,822</b>
		<b>74,538</b>	<b>289,650</b>
<b>34.1</b>	This includes Internet tower income.		



		(Rupees in Thousand)	
		Jul-2024 to Jan-2025	Jul-2023 to Jun-2024
35	<b>FINANCE COST</b>		
	Return/Profit on long term financing	537,318	209,266
	Interest on lease liability against right of use assets	13,605	22,495
	Mark up/profit on short term borrowings	456,313	1,238,763
	Un-winding of long term provision for GIDC	1,197	15,082
	Bank charges and guarantee commission	3,246	8,981
		<b>1,011,679</b>	<b>1,494,587</b>
35.1	It includes finance costs under Shariah Complaint arrangement amounting to Rs.949.068 million (2024: Rs.1,217.784 million).		
36	<b>INVESTMENT INCOME - DIVIDEND</b>		
	Dividend income from investment in mutual fund	-	8,538
37	<b>LEVIES</b>		
	Final Tax - current year	-	9,435
	Final Tax - prior year	1,833	-
	Minimum tax	<b>187,731</b>	<b>414,976</b>
		<b>189,564</b>	<b>424,411</b>
37.1	This represent final tax under section 5, 154 and 113 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.		
38	<b>INCOME TAX</b>		
	For the prior year	27	563
	Deferred	21.1.1	(94,553)
		38.1	-
			(219,047)
			<b>(313,600)</b>
38.1	<b>Relationship between levies and income tax and profit before income tax :</b>		
	Levies	189,564	424,411
	Income	563	(313,600)
	<b>Total</b>	<b>190,127</b>	<b>110,811</b>
	Loss before income tax	(1,561,447)	(93,547)
	Income tax rate	29%	29%
	Income tax on loss before income tax	(452,820)	(27,129)
	<b>Tax effect of:</b>		
	minimum tax	187,731	414,976
	tax loss	473,583	(199,148)
	income assessed under final tax regime - export sales	-	24,296
	Income tax differential on dividend income taxed at lower rate.	-	(1,195)
	Reversal of prior year income tax	2,396	(94,553)
	others	(20,763)	(6,436)
	<b>Levies and income tax</b>	<b>190,127</b>	<b>110,811</b>
38.2	Sufficient provision for tax has been made in these special purpose un-consolidated financial statements taking into account the profit or loss for the year and various admissible and inadmissible allowances and deduction under the Income Tax Ordinance, 2001. Position of provision and tax assessed for last three years are as follows:		
		(Rupees in Thousand)	
		2024	2023
	Tax provision	424,412	338,675
	Tax assessed - as per return	426,245	199,442
			2022
			521,150
			210,317
39	<b>LOSS PER SHARE - Basic and diluted</b>		
	Loss for the period/year	(1,751,574)	(204,358)
		( Number of Shares )	
	Weighted average number of Ordinary Shares in issue during the period/year	108,728,960	86,718,699
		( Rupees )	
	Loss per share - Basic and diluted	(16.11)	(2.36)
39.1	There is no dilutive effect on the basic earnings per share of the Company.		
40	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and bank balances	16	684,308
	Short term borrowings - Running finance	25	(4,434,541)
			(3,750,233)
			(3,117,730)



#### 41 FINANCIAL INSTRUMENTS

##### Financial assets as per statement of financial position

##### - Measured at amortized cost

Loans and advances

Deposits

Trade debts

Other receivables

Cash and bank balances

##### Financial liabilities as per statement of financial position

##### - Measured at amortized cost

Long term financing

Lease liability against right of use assets

Trade and other payables

Unclaimed dividend

Unpaid dividend

Accrued mark up/profit

Short term borrowings

(Rupees in Thousand)	
January 2025	June 2024
179,337	445,291
9,766	73,843
3,407,696	3,516,225
101,115	175,513
684,308	297,008
4,382,222	4,507,880
9,388,511	9,703,216
115,182	122,769
3,573,597	3,501,421
1,421	8,219
20,801	20,801
530,747	543,012
4,634,224	3,579,563
18,264,483	17,479,001

The effective interest/markup rates for the monetary financial assets and liabilities are mentioned in respective notes to the special purpose un-consolidated financial statements.

#### 41.1 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's certain accounting policies and disclosure requires use of fair value measurement and the Company while assessing fair value maximize the use of relevant observable inputs and minimize the use of unobservable inputs establishing a fair value hierarchy, i.e., input used in fair value measurement is categorized into following three levels:

Level 1 Inputs are the quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.

Level 2 Inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable inputs for the asset or liability.

As at reporting date the fair value of all the assets and liabilities approximates to their carrying values except property, plant and equipment and long term investments in subsidiary companies. The property, plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land, lease-hold land and capital work in progress which are stated at cost, whereas long term investment in subsidiary companies carried at cost less accumulated impairment, if any. The Company does not expect that unobservable inputs may have significant effect on fair values.

#### 41.2 Financial risk management objectives

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

Risk Management is carried out under policies and principles approved by the Board. All treasury related transactions are carried out within the parameters of these policies and principles.

##### 41.2.1 Market Risk

##### A Foreign exchange risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. Foreign exchange risks arises mainly from future economic transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to foreign exchange risk arising from currency value fluctuations, primarily with respect to the USD, Euro, and CHF. The Company's Exposure to foreign currency risk is as follows:

Trade creditors

Bills Payable

Trade Debts

Receivable from suppliers

Cash at bank in foreign currency accounts

Commitments - Outstanding letters of credit

Net exposure

38,820	122,322
1,670,329	1,922,650
1,709,149	2,044,972
(65,828)	(38,146)
(63,326)	(119,265)
(29,724)	(204,337)
(158,878)	(361,748)
1,550,271	1,683,224
2,665,846	1,507,461
4,216,117	3,190,685

The following significant exchange rates have been applied:

USD to PKR

Euro to PKR

CHF to PKR

Rupees			
Average rate		Reporting date rate	
January 2025	June 2024	January 2025	June 2024
278.20	282.90	278.90/279.4	278.30
299.23	305.97	289.36/289.89	297.98
317.24	-	306.74	-



At reporting date, if the PKR had strengthened/weakened by 10% against the USD, Euro, and CHF with all other variables held constant, pre tax profit for the period would have been higher/lower by the amount shown below, mainly as a result of net foreign exchange gain or net foreign currency exposure at reporting date.

**Effect on statement of profit or loss**

USD to PKR

Euro to PKR

CHF to PKR

(Rupees in Thousand)			
Average rate		Reporting date rate	
January 2025	June 2024	January 2025	June 2024
415,764	296,446	417,582	292,217
1,843	27,521	1,786	26,852
2,321	-	2,244	-
419,928	323,967	421,612	319,069

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the period and assets / liabilities of the Company.

**B Price risk**

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 or currency rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is not exposed to equity price risk since there are no investment in listed equity securities.

**C Interest / Markup rate risk**

Interest/Markup rate risk arises from the possibility of changes in Interest/Markup rates which may effect the value of financial instruments. The Company has short term borrowings at variable rates. At the reporting date the Interest/Markup profile of the Company's Interest/Markup-bearing financial instrument is:

**Financial Assets**

**Variable rate instruments**

Bank balance

**Financial Liabilities**

**Variable rate instruments**

Long term financing

Short term borrowings

		(Rupees in Thousand)	
January 2025	June 2024	January 2025	June 2024
Effective rate (in %)		Carrying amount	
5.80 - 19.26	6.60 - 20.67	2,141	1,574
11.74 - 22.25	18.54 - 24.53	(4,373,592)	(4,576,414)
9.19 - 22.52	16.40 - 23.43	(4,434,541)	(3,414,738)
		(8,805,992)	(7,989,578)

**Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest/markup rates at the reporting date would have decreased/(increased) profit for the year by the amounts shown below. This analysis assumes that all other variable, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for June 2024.

As at January 31, 2025

Cash flow sensitivity - Variable rate

As at June 30, 2024

Cash flow sensitivity - Variable rate

Statement of profit or loss before tax	
100 bp increase	100 bp decrease
(88,060)	88,060
(79,896)	79,896

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the period and assets / liabilities of the Company.

**Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities. Therefore, a change in markup rate at the reporting date would not effect unconsolidated statement of profit or loss of the Company.

**41.2.2 Credit risk**

Credit risk represents the risk that one party to financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk inter alia by setting credit limits in relation to individual customers and by obtaining advance against sales and also obtains collaterals, where considered necessary. The Company has established an allowance for the doubtful trade debts that represents its estimate of incurred losses in respect of trade debts. Consequently, the Company believes that it is not exposed to any major concentration of credit risk.

**Exposure to credit risk**

The carrying amount of the financial assets represent the maximum credit exposure before any credit enhancements. Out of total financial assets of Rs.4,382.222 million (June 2024: Rs.4,507.880 million), financial assets of Rs.4,378.372 million (June 2024: Rs.4,504.446 million) are subject to credit risk. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

Loans and advances

Deposits

Trade debts

Other receivables

Bank balances

179,337	445,291
9,766	73,843
3,407,696	3,516,225
101,115	175,513
3,508,811	3,691,738
680,458	293,574
4,378,372	4,504,446

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### Loans and advances

These represents loan to subsidiary company recoverable on respective maturity. Loan and advances to employees are recovered on monthly basis. Retirement balances are also available for these employees against which balance can be adjusted incase of default. The Company actively pursues for the recovery of these loans and the Company does not expect that these employees will fail to meet their obligations, hence the management believes no impairment allowance is required there against.

### Deposits

Deposits includes utilities deposits and bank margin and others which are neither past due nor impaired with the counter parties. Company believes that based on past relationship, credit rating and financial soundness of the counter parties chances of default are remote and also there is no material impact of changes in credit risks. The management does not expect to incur credit loss there against.

The aging of trade debts and other receivables at the reporting date:

Not past due	452,236	1,000,834
Past due 1-30 days	1,074,788	947,476
Past due 31-90 days	979,305	1,013,221
Past due 91-180 days	854,282	513,934
Past due 180 days	307,823	387,093
	<b>3,668,434</b>	<b>3,862,558</b>
Allowance for ECL - local	<b>(159,623)</b>	<b>(170,820)</b>
	<b>3,508,811</b>	<b>3,691,738</b>

The credit quality of Company's bank balances can be assessed with reference to external credit rating as follows:

Banks	Rating Agency	Rating		(Rupees in Thousand)	
		Short term	Long term	January 2024	June 2023
Askari Bank Limited	PACRA	A1+	AA+	15	-
Bank Al-Falah Limited	PACRA	A1+	AAA	10,055	16,271
Bank Al-Habib Limited	PACRA	A1+	AAA	10,734	7,488
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	2,606	2,367
Faysal Bank Limited	PACRA	A1+	AA	5,161	4,907
Habib Bank Limited	VIS	A-1+	AAA	12,580	1,432
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	583,916	142,100
MCB Bank Limited	PACRA	A1+	AAA	33,941	31,170
Meezan Bank Limited	VIS	A-1+	AAA	14,109	24,893
National Bank of Pakistan	PACRA	A1+	AAA	2,028	815
Soneri Bank Limited	PACRA	A1+	AA-	63	1,458
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	4,744	60,238
The Bank of Punjab	PACRA	A1+	AA+	137	118
United Bank Limited	VIS	A-1+	AAA	369	317
				<b>680,458</b>	<b>293,574</b>

Above ratings are updated from website of State Bank of Pakistan.

### 41.2.3 Liquidity risk

Liquidity risk represents where an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At January 31, 2025, the Company has Rs.15,080 million available borrowing limit from financial institutions. The Company has unutilized borrowing facilities of Rs.10,446 million in addition to balances at banks of Rs.680 million. Based on the above, management believes the liquidity risk to be insignificant. The following are the contractual maturities of financial liabilities, including interest/mark up payments.

	Carrying Amount	Contractual Cash Flow	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
<b>January 2025</b>							
Long term financing	9,388,511	12,758,912	972,955	1,068,659	2,136,914	5,543,979	3,036,405
Lease liability against right of use assets	115,182	160,438	19,490	20,893	44,421	75,634	-
Trade and other payables	3,573,597	3,573,597	3,573,597	-	-	-	-
Unclaimed dividend	1,421	1,421	1,421	-	-	-	-
Unpaid dividend	20,801	20,801	20,801	-	-	-	-
Accrued mark up/profit	530,747	530,747	530,747	-	-	-	-
Short term borrowings	4,634,224	4,890,591	4,890,591	-	-	-	-
	<b>18,264,483</b>	<b>21,936,507</b>	<b>10,009,602</b>	<b>1,089,552</b>	<b>2,181,335</b>	<b>5,619,613</b>	<b>3,036,405</b>
<b>June 2024</b>							
Long term financing	9,703,216	16,871,666	1,485,352	1,343,369	2,677,720	6,855,494	4,509,731
Lease liability against right of use assets	122,769	182,551	18,902	19,270	41,988	102,391	-
Trade and other payables	3,501,421	3,501,421	3,501,421	-	-	-	-
Unclaimed dividend	8,219	8,219	8,219	-	-	-	-
Unpaid dividend	20,801	20,801	20,801	-	-	-	-
Accrued mark up/profit	543,012	543,012	543,012	-	-	-	-
Short term borrowings	3,579,563	3,782,929	3,782,929	-	-	-	-
	<b>17,479,001</b>	<b>24,910,599</b>	<b>9,360,636</b>	<b>1,362,639</b>	<b>2,719,708</b>	<b>6,957,885</b>	<b>4,509,731</b>



#### 41.3 Capital risk management

The Company's objectives in managing capital is to ensure the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The gearing ratio as at January 31, 2025 and June 30, 2024 were as follows:

	(Rupees in Thousand)	
	January 2025	June 2024
Total borrowings	14,022,735	13,282,779
Cash and bank balances	(684,308)	(297,008)
Net debt	13,338,427	12,985,771
Total equity	11,564,841	13,287,163
Total capital	24,903,268	26,272,934
Gearing ratio	54%	49%

The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix amongst various sources of finance to minimize risk and cost.

The Company is not exposed to any externally imposed capital requirement.

#### 41.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	January 2025 (Rupees in Thousand)				
	Long term loan	Short Term Borrowings	Dividend	Lease Liability	Total
Balance as at July 1, 2024	9,703,216	3,579,563	29,020	122,769	13,434,568
Changes from financing cash flows					
Repayment of long term loan	(554,027)	-	-	-	(554,027)
Proceeds from long term loan	141,463	-	-	-	141,463
Lease rentals paid	-	-	-	(21,192)	(21,192)
Accretion of interest	-	-	-	13,605	13,605
Dividend paid	-	-	(6,798)	-	(6,798)
Total changes from financing activities	(412,564)	-	(6,798)	(7,587)	(426,949)
Other changes	83,544	(71,279)	-	-	12,265
Profit/Interest expense	537,318	456,313	-	13,605	1,007,236
Profit/Interest paid	(620,862)	(385,034)	-	(13,605)	(1,019,501)
Deferred government grant recognized	97,859	-	-	-	97,859
Changes in short term borrowings	-	1,054,661	-	-	1,054,661
Total loan related other changes	97,859	1,054,661	-	-	1,152,520
Total equity related other changes	-	-	-	-	-
Balance as at June 30, 2025	9,388,511	4,634,224	22,222	115,182	14,160,139
	June 2024 (Rupees in Thousand)				
	Long term loan	Short Term Borrowings	Dividend	Lease Liability	Total
Balance as at July 1, 2023	8,911,873	8,474,415	41,856	-	17,428,144
Changes from financing cash flows					
Repayment of long term loan	(780,620)	-	-	-	(780,620)
Proceeds from long term loan	1,420,696	-	-	-	1,420,696
Lease rentals paid	-	-	-	(32,271)	(32,271)
Accretion of interest	-	-	-	22,495	22,495
Addition / re-assessment / termination of leases	-	-	-	132,545	132,545
Dividend paid	-	-	(12,836)	-	(12,836)
Total changes from financing activities	640,076	-	(12,836)	122,769	750,009
Other changes	126,378	213,006	-	-	339,384
Profit/Interest expense	209,266	1,238,763	-	22,495	1,470,524
Profit/Interest paid	(335,644)	(1,451,769)	-	(22,495)	(1,809,908)
Deferred government grant recognized	151,267	-	-	-	151,267
Changes in short term borrowings	-	(4,894,852)	-	-	(4,894,852)
Total loan related other changes	151,267	(4,894,852)	-	-	(4,743,585)
Total equity related other changes	-	-	-	-	-
Balance as at June 30, 2024	9,703,216	3,579,563	29,020	122,769	13,434,568

41.4.1 The figures of interest expenses and interest paid has not include interest capitalized in property, plant & equipment.



**42 REMUNERATION OF CHIEF EXECUTIVE,  
DIRECTORS AND EXECUTIVES**

The aggregate amount charged to statement of profit or loss for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company are as follows:

Particulars	(Rupees in Thousand)							
	Chief Executive		Directors		Executives		Total	
	January 2025	June 2024	January 2025	June 2024	January 2025	June 2024	January 2025	June 2024
Managerial remuneration	8,253	14,148	5,271	9,036	342,934	409,908	356,458	433,092
Post employment benefits	1,045	7,927	286	1,462	16,068	45,580	17,399	54,969
Other benefits	-	-	-	-	71,912	67,552	71,912	67,552
Reimbursement	-	-	-	-	8,421	3,897	8,421	3,897
<b>Total</b>	<b>9,298</b>	<b>22,075</b>	<b>5,557</b>	<b>10,498</b>	<b>439,335</b>	<b>526,937</b>	<b>454,190</b>	<b>559,510</b>
Number of persons for remuneration	1	1	1	1	182	106	184	108

- 42.1** Aggregate amount of meeting fee to 7 non-executive directors (June 2024: 9 non-executive Directors) was Rs.0.600 million (June 2024: Rs.2.150 million).
- 42.2** In addition, the Chief Executive and working directors are provided with Company maintained car and certain executives are provided with household furniture and cars under Company policies, the monetary impact where of is not quantifiable.
- 42.3** During the year, a related party Messrs. Novatex Limited reimbursed Rs.93.429 million (June 2024: Rs.122.253 million) in respect of shared resources of certain directors and executives.



### 43 SEGMENT REPORTING

#### 43.1 Reportable segments

The Company's reportable segments are as follows:

- Polyester Filament Yarn - it comprises manufacturing of Polyester Filament Yarn and its raw material.
- Polyester PET Preforms - it comprises manufacturing of Polyester PET Preforms and its raw material.

Other operating expenses, other income, finance costs and taxation are managed at Company level.

#### 43.2 Segment results:

The segment information for the reportable segments for the period ended January 31, 2025 is as follows:

(Rupees in Thousand)						
	January 2025			June 2024		
	Polyester Filament Yarn	Polyester PET Preforms	Total	Polyester Filament Yarn	Polyester PET Preforms	Total
External sales	13,895,661	1,181,345	15,077,006	30,289,729	3,723,852	34,013,581
Segment result before depreciation	(155,376)	418,073	262,697	1,275,287	812,077	2,087,364
Less: Depreciation on property, plant and equipment	(806,555)	(39,073)	(845,628)	(792,144)	(71,704)	(863,848)
Segment result after depreciation	(961,931)	379,000	(582,931)	483,143	740,373	1,223,516
Reconciliation of segment results with Loss before levies and income tax:						
Total results for reportable segments			(582,931)			1,223,516
Other operating expenses			(41,375)			(120,664)
Other income			74,538			289,650
Finance costs			(1,011,679)			(1,494,587)
Loss before levies and income tax			(1,561,447)			(93,547)
Assets and liabilities by segments are as follows:						
Segment assets	26,845,030	913,915	27,758,945	28,461,355	814,333	29,275,688
Segment liabilities	13,778,007	154,940	13,932,947	14,207,708	475,089	14,682,797
Reconciliation of segments assets and liabilities with total in the special purpose un-consolidated statement of financial position is as follows:						
		Assets	Liabilities		Assets	Liabilities
Total for reportable segments		27,758,945	13,932,947		29,275,688	14,682,797
Unallocated		5,853,238	8,114,395		5,313,198	6,618,926
Total as per special purpose un-consolidated statement of financial position		33,612,183	22,047,342		34,588,886	21,301,723
Other segment information is as follows:						
Depreciation on property, plant and equipment	806,555	39,073	845,628	792,144	71,704	863,848
Capital expenditures incurred during the period	352,953	-	352,953	2,096,335	8,823	2,105,158
Unallocated capital expenditure incurred during the period			869,725			497,473
Total			1,222,678			2,602,631

43.3 98.06% (June 2024 : 97.60%) out of total sales of the Company relates to customers in Pakistan.

43.4 All non-current assets of the Company as at January 31, 2025 are located in Pakistan.

43.5 Revenue from major customer individually accounting for more than 10% of the Company's revenue was Rs.2,162.991 million (June 2024 Rs. 5,947.955 million).



			(Metric Tons)	
			January 2025	June 2024
<b>44</b>	<b>PLANT CAPACITY AND ACTUAL PRODUCTION</b>	<b>Note</b>		
	<b>Polyester Filament Yarn</b>	<b>44.1</b>		
	Annual capacity-75 denier		43,424	43,424
	Annual capacity-150 denier		86,280	86,280
	Actual production		27,514	52,517
	<b>Polyester P.E.T. Preforms</b>	<b>44.2</b>		
	Annual capacity - 27 gms		31,512	31,512
	Actual production		8,343	12,676
	<b>Knitted Fabrics</b>	<b>44.3</b>		
	Annual capacity		1,636	1,090
	Actual production		649	699
<b>44.1</b>	The capacity is determined based on 75 denier and 24 filaments/150 denier and 48 filaments. Actual production represents production of various deniers.			
<b>44.2</b>	The capacity is determined based on 27 gms production. Actual production represents production of various grammage. The actual production versus annual capacity is lower on account of the Company is lacking the sizes of preforms, which are in demand. The actual production of preforms (various grammage) in pieces was 329.306 million (June 2024: 462.150 million) against annual capacity (based on 27 gms) of 1,167 million pieces.			
<b>44.3</b>	The actual production versus annual capacity is lower on account market demand of the Company's product, which is increasing gradually.			

#### 45 TRANSACTIONS WITH RELATED PARTIES

During the year, details of transactions with related parties are as follows:

				(Rupees in Thousand)	
Name	Nature of relationship	Basis of relationship	Nature of transaction	January 2025	June 2024
Gatro Power (Private) Limited	Subsidiary Company	100% ownership	Purchase of power	2,392,951	2,976,300
			Plant operation arrangement	28,000	42,000
			Reimbursement of expenses	14,715	56,551
Global Synthetics Limited	Subsidiary Company	100% ownership	Investment made	-	200
G-Pac Energy (Private) Limited	Subsidiary Company	100% ownership	Purchase of power	34,553	-
			Long term loan disbursed	11,400	364,750
			Repayment of long term loan	325,100	63,550
			Reimbursement of expenses	500	21
Novatex Limited	Related Party	Common directorship	Sales of goods and other material	625,398	4,097,801
			Rendering of services	1,537,593	1,850,154
			Purchase of raw and other material	954,458	1,273,202
			Obtaining of services	-	170,861
			Rent	15,385	23,976
			Reimbursement of expenses	204,216	394,500
Krystalite Product (Private) Limited	Related Party	Common key management	Sales of goods and other material	760	173,981
			Sale of property, plant & equipment	-	2,450
			Reimbursement of expenses	215	2,585
Mustaqim Dyeing & Printing Ind (Pvt) Ltd	Related Party	Common directorship	Sale of goods	172,273	394,546
			Rendering of services	17,789	-
			Reimbursement of expenses	591	-
Ghani & Tayub (Private) Limited	Related Party	Common directorship	Rent	4,550	7,800
Nova Frontiers Limited	Related Party	Common directorship	Issuance of Right Shares	-	5,581,649
Gatron Foundation	Related Party	Common directorship	Payment of donation	-	3,954
Pharmnova (Private) Limited	Related Party	Common key management	Reimbursement of expenses	9,971	-



Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand)	
				January 2024	June 2023
G-Pac Corporation	Related Party	Common directorship	Sale of goods	77,178	415
			Reimbursement of expenses	101	-
G&T Tyres (Private) Limited	Related Party	Common directorship	Purchase of other material	329	544
Nova Mobility (Private) Limited	Related Party	Common directorship	Purchase of other material	32	-
			Reimbursement of expenses	82	84
Krystosoft (Private) Limited	Related Party	Common key management	Acquisition of services	57	-
Gatron (Ind) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	3,830	6,596

- The above figures are exclusive of sales tax, where applicable.

- Outstanding balances, as at reporting date, are disclosed in their respective notes.

Transactions and outstanding balances, as applicable in relation to Key Management Personnel (KMP) have been disclosed in note 42 of KMP and note 4.3 of disposal of property, plant and equipment. KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The Company considers its Chief Executive, Executive Directors and other executives to be KMP.

#### 46 PROVIDENT FUND RELATED DISCLOSURES

The Following information is based on latest financial statements of the Funds.

Size of the Funds - Total Assets

Cost of Investments made

Fair value of investments

Percentage of investments made (Fair value to size of the fund)

(Rupees in Thousand)	
January 2025 (Un-audited)	June 2024 (Audited)
156,050	150,977
153,765	147,381
154,911	149,868
99.27%	99.27%

#### 46.1 The Break-up of cost of investments is:

Bank Deposits

(Rupees in Thousand)			
January 2025		June 2024	
Amount	%	Amount	%
153,765	100.00%	147,381	100.00%

#### 46.2 Investments out of the provident funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

#### 47 NUMBER OF EMPLOYEES

Total number of employees as at January 31/June 30

Average number of employees during the period/year

(Number of employees)	
January 2025	June 2024
759	768
764	818

#### 48 DATE OF AUTHORISATION FOR ISSUE

These special purpose un-consolidated financial statements were authorized for issue on May 03, 2025 by the Board of Directors of the Company.

#### 49 GENERAL

49.1 As stated in Note 1.3 that these financial statements are special purpose financial statements made as of January 31, 2025 for a period 7 months ended on January 31, 2025, therefore the corresponding figures are that of June 30, 2024 in the case of un-consolidated statement of financial position and for the year ended June 30, 2024 in the case of un-consolidated statement of profit or loss, un-consolidated statement of cash flows and un-consolidated statement of changes in equity.

49.2 Figures have been rounded off to the nearest thousand of Rupees.

ABDUL RAZAK DIWAN  
Chairman

MUHAMMAD IQBAL BILWANI  
Director

MUSTUFA BILWANI  
Chief Financial Officer