Gatron

ANNUAL REPORT 2025

GATRON (INDUSTRIES) LIMITED

Gatron

UNCONSOLIDATED PRESENTATION

CONSOLIDATED PRESENTATION

CORPORATE INFORMATION

Gatron

Board of Directors
Abdul Razak Diwan - Chairman
Shabbir Diwan - Chief Executive Officer
Zakaria Bilwani
Muhammad Iqbal Bilwani
Saqib Haroon Bilwani
Muhammad Taufiq Bilwani
Muhammad Altaf Bilwani
Talat Iqbal
Muhammad Tufail Iqbal
Huma Rafique

Special Advisor
Pir Muhammad Diwan

Audit Committee
Muhammad Tufail Iqbal -Chairman
Muhammad Iqbal Bilwani
Talat Iqbal

HR & Remuneration Committee
Talat Iqbal - Chairman
Muhammad Iqbal Bilwani
Saqib Haroon Bilwani

Company Secretary
Shameer

Chief Financial Officer
Muhammad Naeem

Auditor
M/s. Kreston Hyder Bhimji & Co.
Chartered Accountants
Karachi.

Legal Advisor
Naeem Ahmed Khan
Advocates
Quetta.

Shares Registrar
F.D. Registrar Services(Pvt) Limited
Suit 1705, 17th Floor, Saima Trade Tower-A,
I.I. Chundrigar Road, Karachi.
Phone:021-32271905-6

Bankers
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Habib Modaraba
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank(Pakistan) Ltd
The Bank of Punjab
United Bank Limited

Plant
Plot No.441/49-M2, Sector"M",
H.I.T.E.,Main R.C.D. Highway,
HUB, District Lasbela,
Balochistan, Pakistan.

Registered Office
Room No.32, First Floor,
Ahmed Complex,
Jinnah Road, Quetta- Pakistan.

Liaison/Correspondence Office
11th Floor, G&T Tower,
18 Beaumont Road,
Civil Lines-10,
Karachi-75530-Pakistan.
Phone: 021-35659500-9
Fax: 021-35659516

Email
headoffice@gatron.com

Website
www.gatron.com

The Vision

To remain at the forefront of quality, innovation and cost competitivenessin the manufacturing and marketing of polyester filament yarn, pet preforms and other polyester related products.

To achieve corporate success while achieving this vision.

The Mission

To achieve the stated vision of company with dynamism business excellence with challenging spirit and flexibility.

To serve the need of customers by providing high quality products as per their requirement and to their ultimate satisfaction.

To be a good employer by creating a work environment which motivates the employees and promotes team work to encourage the employees to pursue the fulfillment of the vision and mission of the company.

To seek long-term good relations with suppliers, banks and financial institutions with fair and honest dealings.

To play our role as a good corporate citizen through socially responsible behavior and through service of the community where we do business.

To achieve basic aim of benefiting shareholders and stake-holders while adhering to the above vision and mission.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members that the 45th Annual General Meeting (AGM) of Gatron (Industries) Limited ("the Company") will be held on Monday, October 27, 2025, at 03:30 p.m., at Makran Hall, Serana Hotel Quetta, Zarghun Road Quetta as well as through Video Conferencing facility to transact the following business:

Ordinary Business:

1. To confirm the minutes of the last AGM held on October 28, 2024.

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman. As required under Section 223(7) of the Companies Act 2017, the Financial Statements of the Company have been uploaded on the Website of the Company which can be downloaded from the QR enabled code and Weblink in the Notes.

3. To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of the Audit Committee of the Company, has proposed re-appointment of M/s. Kreston Hyder Bhimji & Company, Chartered Accountants as external auditors, for the year ending June 30, 2026.

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

By Order of the Board

Shameer
Company Secretary

October 06, 2025

NOTES:

1. Participation in the AGM via Video Conferencing Facility:

As per the directive issued by Securities and Exchange Commission of Pakistan ("SECP"), the Company has made arrangements of video conference facility to ensure that members can also participate in the AGM proceeding via video link.

The members and their proxies who intends to attend the AGM through video link must register their particulars by sending an email at hanifkhatri@gatron-novatex.com. The members registering to connect through video link facility are required to mention their name, folio number and number of shares held in their name in the email with subject 'Registration for Gatron (Industries) Limited AGM" along with valid copy of their CNIC/Passport. Video link and login credential will be shared with the members whose emails, containing all the required particulars, are received at the given email address at least 48 (forty eight) hours before the time of the AGM.

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 21, 2025, to October 27, 2025 (both days inclusive). Transfers received in order at the office of the Shares Registrar, M/s F.D. Registrar Services (Pvt.) Limited, Suit 1705 – A, 17th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi, before the closure of business on October 20, 2025, will be considered in time for the purpose of attendance in the AGM.

3. Participation in the AGM:

A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received at the office of the Company not less than 48 hours before the time of holding the meeting. Proxy form is annexed.

In the case of corporate entity, the Board of Directors resolution/Power of Attorney with specimen signature and attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

A member, who has deposied his/her shares in Central Depository Company of Pakistan Limited, must bring his/her Participant ID number and account/sub account number along with original CNIC or NICOP or Passport at the time of attending the meeting.

4. SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD:

Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) of the shareholders is mandatory requirement for payment of dividend. Shareholders are therefore, requested to submit copies of their valid CNIC or NICOP to the Shares Registrar of the Company. In case of non-receipt of valid CNIC or NICOP, the company will be constrained to withhold the payment of dividends of such shareholders.

The shareholders, while sending copies of CNIC or NICOP, must quote their respective folio number, CDC IAS and CDC Sub-Account numbers maintained with Stockbrokers.

5. PROVIDING INTERNATIONAL BANK ACCOUNT NUMBER (IBAN):

The Securities and Exchange Commission of Pakistan vide its Circular Letter No. CL/CSD/Misc/2014-30 dated March 19, 2021, directed all the listed companies to pursue with their shareholders who have not yet provided their IBAN. Therefore, all the shareholders are requested to provide their IBANs as soon as possible to enable the Company to credit the cash dividend payment (if any), through electronic transfer directly into their Bank Account.

Further, the cash dividend, if any, of the members who have not provided IBAN, will be withheld by the Company under Clause (ii) of Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017 and being piled-up with the Company.

6. UNCLAIMED SHARES/DIVIDEND:

Shareholders of the company are once again requested to contact the office of the company or the company's shares registrar for collection of their shares/dividends which they have not yet received due to any reason after completing the required formalities.

7. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT:

The shareholders of the Company are hereby informed that as per provision of Section 72 of the Companies Act, 2017, the companies are required to replace their physical shares with book-entry form within a period not exceeding four years from the date of the promulgation of the Act. SECP, vide their letter No. CSD/ED/Misc./2016-639- 640 dated 26th March 2021, has advised all listed companies to pursue their such shareholders who still hold their shares in physical form for converting the same into book-entry-form.

In view of the above and as advised by SECP, the shareholders who hold physical shares are requested to arrange to convert them into book-entry-form. For this purpose, the shareholder shall be required to open an account with either Central Depository Company of Pakistan or any Trading Rights Entitlement Certificate holder (Securities Broker) of Pakistan Stock Exchange.

The benefits associated with the book-entry-form shares include "readily available for trading, whereas trading of physical scrips is currently not permitted", "no risk of damaged, lost, forged or duplicate certificates", "reduced stamp duty on physical to book-entry-form transfers", "no stamp duty on electronic transfers in CDS", "instantaneous transfer of ownership", "instant receipt/credit of dividends and other corporate entitlements (i.e. bonus, rights and new issues, etc.)", and pledging of securities, etc.

8. Notify Change of Address:

The members are advised to notify the Company's Shares Registrar of any change in their addresses in case of physical shares and, in case of shares held electronically, must be notify directly to broker/ participant/CDC account services.

9. Transmission of Annual Audited Financial Statements:

The SECP vide SRO No.389(I)/2023 dated March 21, 2023, has allowed listed companies to circulate their Annual Audited Financial Statements (i.e. the Annual Balance Sheet and Profit or Loss Account, Auditors Reports and Directors' Report) to its members through QR enabled code and web-link, which is shared below:

WEB-LINK https://gatron.com/investor-info/	**QR CODE**

10. Prohibition of Gifts Distribution:

In accordance with company policy and regulatory guidelines, no gifts or incentives shall be distributed at the AGM. Shareholders are requested to refrain from bringing or presenting any gifts during the meeting.

سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا اطلاع دی جاتی ہے کہ گیٹرون (انڈسٹریز) لمیٹڈ کا سالانہ پینتالیسواں (45) اجلاس عام بروز پیر مورخہ 27 اکتوبر 2025 کو دوپہر 03:30 بجے بمقام مکران ہال، سرینا ہوٹل کوئٹہ، زرغون روڈ کوئٹہ میں اور ساتھ ہی ویڈیو کانفرنسنگ سہولت کے ذریعے منعقد ہوگا۔

عمومی امور

1 کمپنی کا گزشتہ سالانہ اجلاس عام منعقدہ 28 اکتوبر 2024 کی کارروائی کی توثیق۔

2 30 جون 2025 کو اختتام پذیر ہونے والے مالی سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی حسابات مع آڈیٹرز و ڈائریکٹرز کی رپورٹ بشمول چیئرمین کی جائزہ رپورٹ کی وصولی، غور و خوض اور منظوری۔ کمپنیز ایکٹ 2017 کی دفعہ 223(7) کے تحت کمپنی کے مالی حسابات کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں جو نوٹس میں مندرجہ QR کوڈ اور ویب لنک کے ذریعے ڈاؤن لوڈ کیے جاسکتے ہیں۔

3 آئندہ سال کیلئے کمپنی کے ایکسٹرنل آڈیٹرز کا تقرر کرنا، اور ان کے معاوضے کو طے کرنا۔ بورڈ آف ڈائریکٹرز نے کمپنی کی آڈٹ کمیٹی کی سفارش پر 30 جون 2026 کو ختم ہونے والے سال کیلئے میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو ایکسٹرنل آڈیٹرز کے طور پر دوبارہ تقرر کرنے کی تجویز پیش کی ہے۔

4 چیئرمین اجلاس کی اجازت سے کسی اور کاروبار کو انجام دینا۔

حسب الحکم بورڈ

شمیر

کمپنی سیکریٹری

کراچی:

مورخہ: 6 اکتوبر 2025ء

نوٹس:

1 شیئر ہولڈرز کیلئے سالانہ اجلاس عام (AGM) میں ویڈیو کانفرنس کی سہولت:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کی ہدایت کے مطابق، کمپنی نے ویڈیو کانفرنسنگ کی سہولت کا انتظام کیا ہے تاکہ اراکین ویڈیو لنک کے ذریعے بھی AGM کی کارروائی میں شریک ہوسکیں۔ وہ اراکین یا ان کے نمائندگان جو AGM میں ویڈیو لنک کے ذریعے شرکت کرنے کے خواہاں ہیں، انہیں اپنی تفصیلات کمپنی کے ای میل hanifkhatri@gatron-novatex.com پر ارسال کر کے رجسٹر کروانی ہوں گی۔ ویڈیو لنک کی سہولت تک رسائی کے لیے رجسٹریشن کے خواہشمند ممبران ای میل بعنوان "رجسٹریشن برائے گیٹرون (انڈسٹریز) لمیٹڈ" میں اپنا نام، فولیو نمبر، اپنے نام پر موجود شیئرز کی تعداد، مع شناختی کارڈ یا پاسپورٹ کی درست کاپی فراہم کریں۔ ویڈیو لنکس اور لاگ ان کی تفصیلات ان ممبران کے ساتھ شیئر کی جائیں گی جن کی ای میلز بمع تمام مطلوبہ تفصیلات AGM کے انعقاد سے کم از کم 48 (اڑتالیس) گھنٹے قبل مندرجہ بالا ای میل ایڈریس پر موصول ہو جائیں گی۔

2 شیئرز ٹرانسفر کتاب کی بندش:

کمپنی کی شیئرز ٹرانسفر کتاب 21 اکتوبر 2025 تا 27 اکتوبر 2025 تک (دونوں دن شامل ہیں) بند رہیں گی۔ شیئرز رجسٹرار میسرز FD رجسٹرار سروس (پرائیویٹ) لمیٹڈ سوٹ نمبر 1705، 17 ویں منزل، صائمہ ٹریڈ ٹاور، آئی آئی چندریگر روڈ کراچی میں جو منتقلیاں 20 اکتوبر 2025 کو کاروباری اوقات کے اختتام سے قبل موصول ہو جائیں گی وہ سالانہ اجلاس عام میں شرکت کے مقصد کیلئے بروقت تصور کی جائیں گی۔

3 سالانہ اجلاس عام میں شرکت:

کوئی بھی ممبر جو اجلاس میں شرکت کرنے اور ووٹ دینے کا/کی حقدار ہے وہ اپنی جگہ شرکت کرنے، تقریر کرنے اور ووٹ دینے کے لئے کسی دوسرے ممبر کو بطور اپنا/اپنی پراکسی مقرر کر سکتا/کرسکتی ہے۔ پراکسیز کے موثر ہونے کے لئے ضروری ہے کہ وہ اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے آفس میں وصول ہو جائیں۔

کارپوریٹ ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع کارپوریٹ ادارہ کی جانب سے نمائندگی کرنے اور ووٹ ڈالنے کیلئے نامزد کردہ شخص کا نمونہ دستخط اور کارآمد CNIC کی تصدیق شدہ نقل پراکسی فارم کے ساتھ کمپنی کو پیش کیا جائے۔ کوئی بھی ممبر جس نے سینٹرل ڈپازیٹری کمپنی آف پاکستان لمیٹڈ میں اپنے شیئرز جمع کرائے ہیں، اجلاس میں شرکت کے وقت اصل CNIC یا NICOP یا پاسپورٹ کے ساتھ اپنا پارٹیسپنٹ ID نمبر اور اکاؤنٹ/سب اکاؤنٹ نمبر لازماً ساتھ لائیں۔

4 کمپیوٹرائزڈ شناختی کارڈ (CNIC) جمع کرانے کے متعلق:

شیئر ہولڈرز کے لیے ڈیویڈنڈ کی ادائیگی کے لیے کمپیوٹرائزڈ شناختی کارڈ (CNIC) یا نیشنل آئیڈینٹیٹی کارڈ فار اوور سیز پاکستانیز (NICOP) فراہم کرنا لازمی ہے۔ لہٰذا تمام شیئر ہولڈرز سے گزارش ہے کہ اپنے درست CNIC یا NICOP کی نقول کمپنی کے شیئرز رجسٹرار کو جمع کرائیں۔ بصورت دیگر، اگر درست CNIC یا NICOP موصول نہ ہوا تو کمپنی ایسے شیئر ہولڈرز کے ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔ مزید برآں CNIC یا NICOP کی نقول بھیجتے وقت شیئر ہولڈرز اپنے متعلقہ فولیو نمبر، CDC IAS اور CDC سب اکاؤنٹ نمبر (جو اسٹاک بروکرز کے پاس درج ہیں) ضرور درج کریں۔

5 انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) کی فراہمی:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرکلر لیٹر نمبر CL/CSD/Misc/2014-3 مورخہ 19 مارچ 2021 کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت دی ہے کہ وہ اپنے ان شیئر ہولڈرز سے IBAN حاصل کریں جنہوں نے ابھی تک فراہم نہیں کیا۔ لہٰذا تمام شیئر ہولڈرز سے گزارش ہے کہ اپنا IBAN جلد از جلد فراہم کریں تا کہ کمپنی کسی بھی نقد ڈیویڈنڈ کی ادائیگی کی صورت میں براہ راست الیکٹرانک ٹرانسفر کے ذریعے ان کے بینک اکاؤنٹس میں جمع کرا سکے۔ مزید یہ کہ جن ممبرز نے اپنا IBAN فراہم نہیں کیا ہوگا، ان کا کیش ڈیویڈنڈ کمپنی کی جانب سے کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز 2017 کی ریگولیشن 6 کی شق (ii) کے تحت روک لیا جائے گا اور کمپنی کے پاس جمع رہے گا۔

6 غیر دعوی شدہ شیئرز/ڈیویڈنڈ:

کمپنی کے شیئر ہولڈرز سے ایک مرتبہ پھر گزارش ہے کہ وہ اپنے شیئرز/ڈیویڈنڈز کے حصول کے لیے کمپنی کے دفتر یا کمپنی کے شیئرز رجسٹرار سے رابطہ کریں جو کسی وجہ سے ابھی تک انہیں موصول نہیں ہو سکے، اور مطلوبہ رسمی کارروائی مکمل کر لیں۔

7 فزیکل شیئرز کو سی ڈی سی اکاؤنٹ میں جمع کروانے کے متعلق:

کمپنی کے شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کی دفعہ 72 کے تحت کمپنیوں کے لیے لازم ہے کہ وہ اپنے فزیکل شیئرز کو کتابی اندراج (book-entry-form) میں تبدیل کریں، جو اس ایکٹ کے نفاذ کی تاریخ سے زیادہ سے زیادہ چار سال کی مدت میں مکمل کیا جانا ضروری ہے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے خط نمبر CSD/ED/Misc./2016-639-64 مورخہ 26 مارچ 2021 کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت دی ہے کہ وہ ایسے شیئر ہولڈرز سے رابطہ کریں جو اب تک اپنے شیئرز فزیکل صورت میں رکھتے ہیں، تا کہ انہیں بک انٹری فارم میں منتقل کیا جا سکے۔ مندرجہ بالا اور SECP کی ہدایات کے پیش نظر، وہ تمام شیئر ہولڈرز جو اپنے شیئرز فزیکل صورت میں رکھتے ہیں، سے گزارش ہے کہ انہیں بک انٹری فارم میں منتقل کرنے کے لیے فوری اقدامات کریں۔ اس مقصد کے لیے شیئر ہولڈر کو سینٹرل ڈپازٹری کمپنی آف پاکستان یا پاکستان اسٹاک ایکسچینج کے کسی بھی ٹریڈنگ رائٹس انٹائٹلمنٹ سرٹیفکیٹ ہولڈر (سیکورٹیز بروکر) کے ساتھ اکاؤنٹ کھولنا ہوگا۔ بک انٹری فارم شیئرز کے فوائد درج ذیل ہیں: * یہ فوری طور پر ٹریڈنگ کے لیے دستیاب ہیں، جب کہ فزیکل شیئرز کی ٹریڈنگ فی الحال ممنوع ہے۔ * نقصان، گمشدگی، جعلسازی یا ڈپلیکیٹ سرٹیفکیٹس کے خطرات سے محفوظ۔ * فزیکل شیئرز کو بک انٹری فارم میں منتقل کرنے پر اسٹامپ ڈیوٹی کم لگتی ہے۔ * سی ڈی ایس میں الیکٹرانک ٹرانسفر پر کوئی اسٹامپ ڈیوٹی لاگو نہیں۔ * ملکیت کی فوری منتقلی۔ * ڈیویڈنڈز اور دیگر کارپوریٹ حقوق (جیسے بونس، رائٹس اور نئے اجراء وغیرہ) کی فوری وصولی/کریڈٹ۔ * سیکورٹیز کو گروی رکھنے کی سہولت وغیرہ۔

8 پتے میں تبدیلی کی آگاہی:

اراکین کو مشورہ دیا جاتا ہے کہ اگر ان کے پاس فزیکل شیئرز ہیں تو اپنے پتے میں کسی بھی تبدیلی کی صورت میں کمپنی کے شیئرز رجسٹرار کو مطلع کریں، اور اگر شیئرز الیکٹرانک صورت میں ہیں تو براہ راست بروکر/پارٹیسپنٹ/سی ڈی سی اکاؤنٹ سروسز کو اطلاع دینا لازمی ہے۔

9 کمپنی کے مالیاتی گوشوارے ڈاؤن لوڈ:

کمپنیز ایکٹ 2017 کے سیکشن 223 اور SECP کے SRO نمبر 389(1)/2023 مورخہ 21 مارچ 2023 کے تحت تقاضوں کے مطابق، کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو کمپنی کی ویب سائٹ پر اپ لوڈ کر دیا گیا ہے۔ جس تک درج ذیل QR فعال کوڈ اور ویب لنک کا استعمال کرتے ہوئے رسائی حاصل کی جا سکتی ہے:

ویب لنک https://gatron.com/investor-info/	QR کوڈ

10 تحائف کی تقسیم پر پابندی:

کمپنی کی پالیسی اور ریگولیٹری ہدایات کے مطابق سالانہ عام اجلاس (AGM) میں کسی بھی قسم کے تحائف یا مراعات تقسیم نہیں کیے جائیں گے۔ شیئر ہولڈرز سے گزارش اجلاس کے دوران کسی بھی قسم کا تحفہ لانے یا پیش کرنے سے گریز کریں۔

CHAIRMAN'S REVIEW

CHAIRMAN'S REVIEW

Dear Shareholders,

It is with my great pleasure to present the Chairman's Review for the financial year ended June 30, 2025, at our 45th Annual General Meeting.

In the face of a challenging economic landscape and operational hurdles, Gatron has exemplified remarkable resilience, adaptability, and an unwavering commitment to excellence. Through careful strategic planning and disciplined execution, we have not only safeguarded our market position but also in process of metting our key objective.

Our Board of Directors is composed of ten distinguished members: two executives, five non-executives, and three independent directors, including one female director. Over the course of the year, the Board has convened six times, providing diligent oversight and strategic guidance to ensure the continued success of the Company.

The exceptional efforts of our Audit and Human Resource & Remuneration Committees merit special recognition. The Audit Committee carefully examined our financial statements and internal controls, strengthening our dedication to transparency and adherence to regulatory requirements. Following a comprehensive review, the Board confidently confirms that the Annual Report and Financial Statements present a true and fair view of the Company's performance.

Gatron's achievements are the result of collective effort and dedication. I extend my heartfelt gratitude to our loyal customers, our talented employees, our committed management team, our trusted partners, the government stakeholders, and my fellow directors for their continued support and collaboration.
Looking to the future, we remain optimistic about Gatron's ability to drive sustainable growth and create long-term value for all our stakeholders.

Thank you for your ongoing trust and support.

Sincerely,

October 6, 2025

Abdul Razak Dewan

Chiarman

چیئرمین کی جائزہ رپورٹ

معزز اسٹیک ہولڈرز،

مجھے 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے چیئرمین کا جائزہ 45ویں سالانہ عام اجلاس میں پیش کرتے ہوئے خوشی ہو رہی ہے۔

چیلنجز سے بھرپور معاشی حالات اور آپریشنل رکاوٹوں کے باوجود، گیٹرون نے غیر معمولی ثابت قدمی، موافقت اور بہترین کارکردگی کے لیے غیر متزلزل عزم کا مظاہرہ کیا ہے۔ محتاط حکمتِ عملی اور منظم عملدرآمد کے ذریعے ہم نے نہ صرف اپنی مارکیٹ پوزیشن کو مستحکم بنایا ہے بلکہ اپنے اہم مقاصد کو بھی کامیابی کے ساتھ حاصل کیا ہے۔

ہمارا بورڈ آف ڈائریکٹرز دس ممبران کے زیرِ انتظام ہے جس میں دو ایگزیکٹو ڈائریکٹرز، پانچ نان ایگزیکٹو اور تین آزاد ڈائریکٹرز (بشمول ایک خاتون آزاد ڈائریکٹر) شامل ہیں۔ سال کے دوران بورڈ نے چھ اجلاس منعقد کیے، جن میں کمپنی کی مسلسل کامیابی کو یقینی بنانے کے لیے محتاط نگرانی اور اسٹریٹجک رہنمائی فراہم کی گئی۔

ہماری آڈٹ اور ہیومن ریسورس اینڈ ریمونریشن کمیٹیوں غیر معمولی کاوشیں خصوصی اعتراف کی مستحق ہیں۔ آڈٹ کمیٹی نے ہمارے مالیاتی حسابات اور داخلی کنٹرولز کا محتاط انداز میں جائزہ لیا، جس سے شفافیت اور ریگولیٹری تقاضوں کی پاسداری کے ہمارے عزم کو مزید تقویت ملی۔ سالانہ رپورٹ اور مالیاتی گوشواروں کے جامع جائزے کے بعد، بورڈ اس بات کی تصدیق کرتا ہے کہ یہ رپورٹ کمپنی کی مالی صورتحال اور آپریشنز کی درست اور منصفانہ عکاسی کرتی ہے۔

کمپنی کی کامیابیاں مشترکہ کاوشوں اور لگن کا نتیجہ ہیں۔ میں اپنے وفادار صارفین، باصلاحیت ملازمین، پُرعزم مینجمنٹ ٹیم، بااعتماد شراکت داروں، حکومتی اسٹیک ہولڈرز اور اپنے رفقاء ڈائریکٹرز کا دلی شکریہ ادا کرتا ہوں جن کے مستقل تعاون اور اشتراک نے ہمیں یہ کامیابیاں حاصل کرنے کے قابل بنایا۔

مجھے امید ہے کہ کمپنی مستقبل میں بھی کمپنی کی مسلسل ترقی اور اپنے تمام اسٹیک ہولڈرز کے لیے طویل المدتی کامیابی کیلئے پرعزم ہیں، اور اپنے تمام اسٹیک ہولڈرز کے لیے طویل المدتی قدر پیدا کرے گا۔

آپ کے مستقل تعاون اور لگن کے لیے مشکور ہیں۔

آپ کا مخلص

عبدالرزاق دیوان

چیئرمین

بتاریخ: 6 اکتوبر 2025ء

DIRECTORS' REPORT 2025

Directors' Report

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, we are pleased to present the Annual Report of Gatron (Industries) Limited for the year ended June 30, 2025, along with the audited financial statements and the auditors' report.

FINANCIAL REVIEW:

The financial synopsis for the year under review are as below:

(Rupees in millions)

	2024-25	Apr to June 2025	Jan to Mar 2025	Oct to Dec 2024	Jul to Sep 2024
Net Sales	26,328	6,840	6,363	7,220	5,905
Operating profit/(loss)	(101)	316	12	(169)	(260)
Loss before levies and income tax	(1,641)	(36)	(266)	(574)	(765)
Levies and income tax including minimum	(330)	(85)	(79)	(92)	(74)
Loss after income tax	(1,971)	(121)	(345)	(666)	(839)
Paid up capital	1,087	1,087	1,087	1,087	1,087
Shareholders' equity	11,373	11,373	11,466	11,782	12,448

The loss before levies and income tax for the year ended June 30, 2025, amounted to Rs.1,641 million compared to a loss of Rs.94 million in the corresponding period last year. Including the results of our captive power subsidiaries, the Company incurred a loss of Rs.1,674 million before levies and income tax, and Rs.2,015 million after income tax, compared to losses of Rs.328 million and Rs.440 million, respectively, in the previous period. Alhamdulillah an operating profit of Rs.316 million was recorded in the last quarter (April to Jun 2025) of the current year, despite the imposition of gas levy.

Net revenue for the year was Rs.26,328 million, down 23% from Rs.34,014 million in the previous year. This decline was driven by a 13% reduction in yarn sales quantities as well as fall in unit prices due to lower raw material costs.

As communicated in previous reports, the Company was to facing significant challenges due to the dumping of imported yarn at exceptionally low prices in the local market. However, in May 2025, the National Tariff Commission (NTC) imposed final Anti-Dumping Duties (ADD) on Polyester Filament Yarn (PFY) from major Chinese exporters, ranging from 5.35% to 20.78% with only 3 suppliers below 10% duty, while all other suppliers being above 13%. The focus of the Company now is effective enforcement and collection of duties or in case of stay orders the collection of bank guarantees. In July & Aug this was lacking at custom stage, however by end September there was proper enforcement of collection of bank guarantees/pay orders in case of stay orders. This was necessary to get the impact of Anti-Dumping Duty (ADD) in the market prices and to prevent large scale evasion of Anti-Dumping Duty which happened in the previous ADD period of 2017 to 2023, on account of which over Rs.10 billion Anti-Dumping Duties still remain evaded/not paid in the case of PFY.

The persistent dumping and evasion of dumping duty have so far compelled the Company to operate at substantially diminished capacity utilization, despite investments exceeding Rs.20 billion over the last 4-5 years to expand production capabilities from 65,000 tons in 2020 to approximately 99,000 tons. Since 2017, production capability of the Company has increased nearly 2.75 times. The said expansion obviously placed a high burden on results through increased depreciation and finance cost which get compounded at lower operating rates. The target is to increase operating rates without landing in a situation of increased inventory and the resulting inventory carrying cost.

Additionally, misuse of duty-free imports under the Export Facilitation Scheme (EFS) for local sales is pressurizing the market prices.

COST SAVING AND OTHER INITIATIVES:

Management is actively pursuing several cost-saving projects to improve profitability, including:

- In-house production of POY/DTY bobbins to meet 100% of Company's requirements, now finally in full operation.
- Expansion of existing solar power capacities to reduce energy costs and evaluating Wind power capacities as well as other initiatives to reduce power cost.
- Enhancing labor efficiency through time and motion studies.
- Procuring inputs from cheaper alternative sources without compromising quality.
- Promoting diversified products in the market.

EXPENSES AND FINANCING:

Distribution and selling expenses increased by 48% compared to last year, whereas administrative expenses decreased by 13%. Finance costs rose by Rs.45 million. Efforts continue to reduce inventory and receivables, though in view of expected dumping duty decision, the overhang of increased import quantity in the market has complicated these efforts. A recent reduction in the discount rate to 11% is expected to lower finance costs going forward.

On the balance sheet front, compared to June 30, 2024:

- Stocks decreased by Rs.190 million to Rs.7,313 million, with further reduction in 30 Sept results.
- Debtors increased by Rs.1,147 million to Rs.4,663 million, however, to be reduced in 30 Sept results.
- Creditors decreased by Rs.972 million to Rs.4,551 million.
- Short-term borrowings rose by Rs.3,330 million to Rs.6,909 million, however, to be reduced in 30 Sept results.

CHALLENGES AND FUTURE OUTLOOK:

- In May 2025, NTC has imposed final Anti-Dumping Duties on PFY on major Chinese exporters in the range of 5.35% to 20.78%, % with only 3 suppliers below 10% duty, while all other suppliers being above 13%. The focus of the Company now is effective enforcement and collection of duties or in case of stay orders the collection of bank guarantees which is a continuous effort as noted above. To put a perspective on the rate of 5.35% minimum ADD in Pakistan, noted below are ADD imposed on Chinese exporters of Polyester Filament Yarn in other countries:

    - by Turkey of minimum 16% or $250/ton
    - by India of minimum 23%
    - by the USA ranging from 76% to 77%
    - by Vietnam of minimum one producer at but all others above 10% (and max 21.2%)
    - by Brazil $57.85 – 585.70/ton (4.35% - 44%)
    - by Mexico $532/ton (40%)

  So, 7 major countries including Korea have imposed Anti-Dumping or Countervailing Duties on PFY from China, while Indonesia is restricting imports of PFY by not allowing the same to traders and intends to increase import duties on the same. So, this covers most of the PFY producing countries. Bangladesh protects its PFY industry by way of 25% import duty on competing imported yarn.

  Since October 2023, India has imposed the non-tariff barrier removing the BIS (Bureau of Indian standard) exemption for imports of PFY into India. Because of which the import of PFY from China into India have reduced from 50,000 tons per month (annualized 600,000 MT) to less than 10,000 tons per month (annualized 120,000 MT) at present. The Chinese producers have been trying for long to call the BIS team for inspection and approval but while other countries like Korea, Taiwan etc. have got the BIS approval, the BIS visit/approval of China is not happening. However, India allows Chinese PFY to be imported under Export Bond Scheme for processing and export. So effectively its not for quality/standards but to prevent the injury to the local PFY industry by the excess Chinese dumping.

- On the back of effective implementation of Anti-Dumping Duty for 5 years on the levels on competing imported yarn would allow Pakistan PFY producers to fully utilize their capacity which can meet nearly 50% of the Pakistan's domestic use PFY demand and encourage these producers to further expand to meet over 75% of Pakistan in the next 3 years since polymer capacity for the same is already available. In fact, if we consider only DTY product variety of PFY the domestic producers can meet over 60% of the domestic demand if they are allowed to fully utilize their capacity through effective Anti-Dumping measures.

- PFY is among the top imports, so it needs to be produced locally, particularly when its raw material PTA is also produced locally. It should also be kept in mind that in the year 2003 over 90% of local demand of Filament Yarn was met by indigenous production, Moreover, the downstream industry and demand has also grown over the years and the total demand of PFY stood over 350,000 tons compared to 260,000 tons in year 2017-18 so increasing domestic production of the same is also essential to reduce this pressure on the current account deficit of the country.

OTHER MATTERS:

- Our wholly owned subsidiaries, Gatro Power (Private) Limited and G-Pac Energy (Private) Limited, continue normal operations generating and selling electric power.

- Global Synthetics Limited, another wholly owned subsidiary, has yet to commence operations.

SCHEME OF ARRANGEMENT:

The Board of Directors, in its meeting on February 10, 2025, had authorized the Company to enter into a Scheme of Arrangement with Nova Frontiers Limited (NFL) and Ghani & Tayub (Private) Limited (G&T), subject to necessary approvals. However, due to recent developments, NFL and G&T have withdrawn from the proposed Scheme. Consequently, the Company has also withdrawn its approval as per the circular resolution dated August 12, 2025. We wish to clarify that this withdrawal will not impact the Company's shareholders' business.

APPROPRIATION

The Board of Directors of the Company has not recommended any dividend for the year ended June 30, 2025.

EARNING/(LOSS) PER SHARE

The loss per share of the Company for the year ended on June 30, 2025, is Rs18.13.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes or commitments affecting the Company's financial position from the date of the balance sheet to the date of this report.

CHAIRMAN'S REVIEW

The Chairman's review of the performance of the Company is annexed to this report.

EXTERNAL AUDITORS

The retiring auditors M/s Kreston Hyder Bhimji & Co., Chartered Accountants, being eligible, offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as the Company's auditors for the financial year 2025-26.

The Auditors of the Company M/s. Kreston Hyder Bhimji & Co., Chartered Accountants, have issued an unqualified audit report to the members of the Company.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company is annexed to this report.

CONSOLIDATED FINANCIAL STATEMENTS

This annual report includes the consolidated financial statements of the Group, complete with accompanying notes and the auditors' report. These documents provide a comprehensive overview of the Group's financial performance and position.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board confirms the compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Code of Corporate Governance for the following:

The financial statements for the year ended June 30, 2025, prepared by the management of the Company, present its overall affairs fairly, the result of its operations, cash flows and changes in equity.

- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent business judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been disclosed and explained.
- The system of internal control is sound in design; it has been effectively implemented and monitored.
- Significant deviations from last year in the operating results of the Company, if any, are disclosed in this report.
- There is no significant doubt upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as per regulations.
- Key operating and financial data of the last six years in summarized form is annexed.
- The fair value of the provident funds investments as of June 30, 2025 was Rs.157 million.
- During the year, 6 Board meetings, 4 Audit committee meetings and 1 HR & remuneration committee meetings were held.
- The names of the persons, who at any time during the financial year ended June 30,2025, were Members of the Board and its Committees along with their attendance as follows:

Name of Director	Board of Directors Meetings	Audit Committee Meetings	HR & Remuneration Committee Meetings
Mr. Abdul Razak Diwan	5	-	-
Mr. Shabbir Diwan	5	-	-
Mr. Zakaria Bilwani	4	-	-
Mr. Muhammad Iqbal Bilwani	6	4	1
Mr. Saqib Haroon Bilwani	5	-	-
Mr. Muhammad Taufiq Bilwani	5	-	-
Mr. Muhammad Altaf Bilwani	4	-	-
Mr. Talat Iqbal	5	4	1
Mr. Muhammad Tufail Iqbal	5	4	1
Ms. Huma Rafique	3	-	-

(Leaves of absence were granted to the directors for not attending the Board meetings)

BOARD OF DIRECTORS

The total numbers of Directors are ten (10) as per the following:
a. Male: Nine (09)
b. Female: One (01)

The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Talat Iqbal Mr. Muhammad Tufail Iqbal
Non-executive Directors	Mr. Abdul Razak Diwan Mr. Zakaria Bilwani Mr. Muhammad Iqbal Bilwani Mr. Saqib Haroon Bilwani Mr. Muhammad Altaf Bilwani
Executive Directors	Mr. Shabbir Diwan Mr. Muhammad Taufiq Bilwani
Female Independent Director	Ms. Huma Rafique

DIRECTOR'S TRAINING

All ten Directors have either obtained Certificate of Director's Training Program or are exempted from the requirement of Director's Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019.

BOARD PERFORMANCE REVIEW

We have established a strong system for the self-assessment of the Board's performance, enabling us to consistently evaluate and improve our governance practices. Over the past year, the Board of Directors has played a critical role, offering invaluable guidance that has strengthened our governance and strategic oversight. Their continued dedication has been vital in driving the Company toward its goals and maintaining high standards of accountability.

COMMUNICATION WITH SHAREHOLDERS

The Company is dedicated to fostering open and transparent communication with our shareholders. We keep our shareholders up to date on the Company's activities and developments through our website at www.gatron.com, which is regularly updated to ensure access to the most current information. We deeply appreciate your continued support and are committed to providing you with the most relevant and timely updates about our Company.

SUSTAINABILITY-RELATED RISKS

Gatron (Industries) Limited understands that sustainability-related risks are essential for assessing the long-term value and viability of our investments. The management is actively working to establish clear, measurable ESG targets that align with the Company's strategic goals, aiming to enhance sustainable resilience and create a positive social impact. To achieve these objectives, we will focus on the three "C"s: Conservation, Community, and Circular Economy.

DIVERSITY, EQUITY, AND INCLUSION (DE&I)

With a diverse workforce and community base, the Company is a strong advocate for diversity, equity, and inclusion (DE&I). The Group also supports DE&I initiatives through cost-sharing efforts, ensuring that resources are strategically allocated to foster meaningful and lasting impact. Promoting DE&I remains a core priority and is deeply embedded in the Company's commitment to sustainable and ethical business practices.

To further this commitment, the Company has implemented a comprehensive DE&I policy that guides its approach to enhancing gender and ethnic diversity across the organization. This includes adopting inclusive recruitment practices—such as leveraging diverse job boards and ensuring representation on interview panels—to create a more equitable and inclusive workplace.

RISK MANAGEMENT

The Company's operations are subject to a range of financial risks arising from the current macroeconomic environment, including market risk (such as interest rate, currency, and price fluctuations), credit risk, and liquidity risk. To address these challenges, the Company has implemented a risk management strategy aimed at mitigating market volatility and reducing potential adverse effects on its financial performance.

ACKNOWLEDGMENT

The Board of Directors extends its sincere appreciation to all stakeholders for their continued trust and confidence in the Company. We are truly grateful for the ongoing cooperation and support received over the years and remain confident that this strong partnership will endure.

We also wish to thank every member of the Company for their dedication, innovation, and commitment. Your contributions are vital to our continued success.

In addition, we extend our gratitude to Government Institutions, Auditors, SECP, PSX, and our Banking partners for their valuable guidance and support, which have played a key role in the Company's growth and development.

Thank you for your steadfast partnership and support.

SHABBIR DIWAN	**MUHAMMAD IQBAL BILWANI**
CHIEF EXECUTIVE OFFICER	DIRECTOR

Dated: October 4, 2025

شیئر ہولڈرز کے ساتھ مواصلات:

کمپنی اپنے حصص یافتگان کے ساتھ کھلی اور شفاف مواصلات برقرار رکھنے کیلئے پرعزم ہے۔ علاوہ ازیں، ہم اپنی ویب سائٹ www.gatron.com کے ذریعے حصص یافتگان کو کمپنی کی سرگرمیوں اور تازہ ترین معلومات سے آگاہ رکھتے ہیں۔ ہم آپ کی مسلسل حمایت کو دل سے قدر کی نگاہ سے دیکھتے ہیں اور آپ کو کمپنی سے متعلق درست، بروقت اور متعلقہ معلومات فراہم کرنے کے لیے پرعزم ہیں۔

پائیدار ترقی سے متعلق خطرات

گیٹرون (انڈسٹریز) لمیٹڈ واقف ہے کہ پائیداری سے متعلق خطرات ہماری سرمایہ کاری کی طویل المدتی قدر اور پائیداری کے اندازے کے لیے نہایت اہم ہیں۔ انتظامیہ واضح اور قابلِ پیمائش ESG اہداف مقرر کرنے کے لیے سرگرمِ عمل ہے جو کمپنی کے اسٹریٹجک مقاصد کے ساتھ ہم آہنگ ہوں، تاکہ پائیدار ترقی میں اضافہ کیا جا سکے اور معاشرتی طور پر مثبت اثرات پیدا کیے جا سکیں۔ ان مقاصد کے حصول کے لیے ہماری توجہ تین "C"s بشمول Conservation (تحفظ)، Community (برادری)، اور Circular Economy (دورانی معیشت) پر مرکوز ہوگی:

تنوع، مساوات، اور شمولیت (DE&I)

مختلف النوع افرادی قوت اور کمیونٹی کی بنیاد کے ہمراہ، کمپنی تنوع، مساوات اور شمولیت (DE&I) کی ایک مضبوط حامی ہے۔ گروپ DE&I اقدامات کی معاونت لاگت کی شراکت داری کے ذریعے بھی کرتا ہے، تاکہ وسائل کو مؤثر طور پر ایسے منصوبوں میں استعمال کیا جا سکے جو بامعنی اور دیرپا اثرات پیدا کریں۔ DE&I کے فروغ کو کمپنی کی بنیادی ترجیحات میں شمار کیا جاتا ہے اور یہ پائیدار اور اخلاقی کاروباری اصولوں کے عزم میں شامل ہے۔

اس عزم کو مزید مستحکم کرنے کے لیے کمپنی نے ایک جامع DE&I پالیسی نافذ کی ہے جو کمپنی میں صنفی اور نسلی تنوع کے فروغ کے لیے رہنمائی فراہم کرتی ہے۔ اس میں شمولیتی بھرتی (ریکروٹمنٹ) کا طریقہ کار اپنانا شامل ہے — جیسے مختلف جاب پورٹلز سے استفادہ کرنا اور انٹرویو پینلز میں نمائندگی کو یقینی بنانا — تاکہ ایک زیادہ منصفانہ اور جامع ورک پلیس پیدا کیا جا سکے۔

رسک مینجمنٹ (خطرات کی حکمتِ عملی):

کمپنی کے آپریشنز موجودہ معاشی حالات سے پیدا ہونے والے مختلف مالی خطرات سے مشروط ہیں، جن میں مارکیٹ رسک (جیسے شرحِ سود، زرمبادلہ اور قیمتوں میں اتار چڑھاؤ)، کریڈٹ رسک اور لیکویڈیٹی رسک شامل ہیں۔ ان چیلنجز سے نمٹنے کے لیے، کمپنی نے ایک مؤثر رسک مینجمنٹ حکمتِ عملی نافذ کی ہے جس کا مقصد مارکیٹ میں عدم استحکام کے اثرات کو کم کرنا اور کمپنی کی مالی کارکردگی پر ممکنہ منفی اثرات کو محدود کرنا ہے۔

اظہارِ تشکر:

ہم بورڈ آف ڈائریکٹرز کی جانب سے اپنے تمام اسٹیک ہولڈرز کا کمپنی پر مسلسل اعتماد، تعاون اور حمایت کیلئے تہہ دل سے شکریہ ادا کرنا چاہتے ہیں۔ ہم ان کے مسلسل تعاون اور حمایت کو دل سے سراہتے ہیں اس امید کے ساتھ کہ ہم مستقبل میں بھی جاری رکھیں گے۔

ہم کمپنی کے ہر ممبر کے عزم، تخلیقی سوچ اور انتہائی لگن کے ساتھ اپنے فرائض کی انجام دہی کے لیے اپنی مخلصانہ تعریف کا اظہار کرنا چاہیں گے۔ آپ کی کوششیں ہماری کامیابی میں کلیدی حیثیت رکھتی ہیں۔

مزید برآں، ہم سرکاری اداروں، آڈیٹرز، ایس ای سی پی، پی ایس ایکس اور بینکوں کے بھی شکرگزار ہیں کہ انہوں نے اپنی انمول رہنمائی اور معاونت فراہم کی، جس سے کمپنی کی ترقی اور پیشرفت میں نمایاں کردار ادا ہوا۔ آپ کی مسلسل شراکت داری اور حمایت کے لیے شکریہ۔

شبیر دیوان	محمد اقبال بلوانی
چیف ایگزیکٹو آفیسر	ڈائریکٹر

بتاریخ: 4 اکتوبر 2025ء

☆ دوران سال 6 بورڈ، 4 آڈٹ کمیٹی اور 1 ایچ آر اینڈ ریمونریشن کمیٹی کے اجلاس کا انعقاد کیا گیا۔

☆ وہ افراد جو مالی سال 30 جون 2025ء کے اختتام کے دوران کسی بھی وقت بورڈ اور اس کی کمیٹیوں کے رکن تھے، اور ان کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کے اجلاس	آڈٹ کمیٹی کے اجلاس	ایچ آر اینڈ ریمونریشن کمیٹی کے اجلاس
محترم جناب عبدالرزاق دیوان	5	-	-
محترم جناب شبیر دیوان	5	-	-
محترم جناب ذکریا بلوانی	4	-	-
محترم جناب محمد اقبال بلوانی	6	4	1
محترم جناب ثاقب ہارون بلوانی	5	-	-
محترم جناب محمد توفیق بلوانی	5	-	-
محترم جناب الطاف بلوانی	4	-	-
محترم جناب طلعت اقبال	5	4	1
محترم جناب طفیل اقبال	5	4	1
محترمہ ہما رفیق	3	-	-

(ان ممبران کی غیر حاضری کی درخواست منظور کی گئی جو اجلاس میں شرکت نہ کر سکے)

بورڈ آف ڈائریکٹرز:

ڈائریکٹرز کی کل تعداد دس (10) ہے، جن کی تفصیل درج ذیل ہے:

الف) مرد: نو (09)

ب) خاتون: ایک (01)

بورڈ کی تشکیل مندرجہ ذیل ہے:

زمرہ	نام
خودمختار ڈائریکٹرز	جناب طلعت اقبال جناب محمد طفیل اقبال
نان ایگزیکٹو ڈائریکٹرز	جناب عبدالرزاق دیوان جناب ذکریا بلوانی جناب محمد اقبال بلوانی جناب ثاقب ہارون بلوانی جناب محمد الطاف بلوانی
ایگزیکٹو ڈائریکٹرز	جناب شبیر دیوان جناب محمد توفیق بلوانی
خاتون خودمختار ڈائریکٹر	محترمہ ہما رفیق

ڈائریکٹرز کی تربیت

تمام دس ڈائریکٹرز نے یا تو ڈائریکٹرز ٹریننگ پروگرام کا سرٹیفکیٹ حاصل کر لیا ہے یا پھر لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019ء کے تحت اس شرط سے مستثنیٰ ہیں۔

بورڈ کی اپنی کارکردگی کا جائزہ:

کمپنی نے بورڈ کی کارکردگی کی خودکار تشخیص کے لئے اندرون خانہ ایک مؤثر نظام کا نفاذ کیا ہے۔ یہ عمل اس بات کو یقینی بناتا ہے کہ خود تشخیص کی بنیاد کے عین مطابق ہے۔ سال بھر کے دوران، بورڈ آف ڈائریکٹرز مؤثر گورننس کو یقینی بنانے کے لیے قیمتی رہنمائی فراہم کرتے رہے۔ ان کی مسلسل وابستگی کمپنی کے مقاصد کی جانب گامزن کرنے اور احتساب کے اعلیٰ معیار کو برقرار رکھنے میں کلیدی کردار ادا کرتی ہے۔

بیرونی آڈیٹرز:

ریٹائرنگ آڈیٹرز میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی نے میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور بیرونی آڈیٹرز برائے مالی سال 2025-26 دوبارہ تقرری کی سفارش کی ہے۔

کمپنی کے بیرونی آڈیٹرز میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے ممبران کیلئے غیر مشروط جائزہ رپورٹ جاری کی ہے۔

شیئر ہولڈنگ کی ترتیب:

کمپنی کی شیئر ہولڈنگ کی ترتیب ظاہر کرنے والا گوشوارہ رپورٹ ہذا کے ہمراہ منسلک ہے۔

مجموعی مالیاتی گوشوارے:

زیر نظر سالانہ رپورٹ میں گروپ ہذا کے جامع مالیاتی گوشوارے (consolidated financial statements) ہمراہ نوٹس اور ڈائریکٹرز رپورٹ مذکورہ رپورٹ کے ساتھ منسلک ہیں۔ مذکورہ دستاویزات گروپ کی مالی کارکردگی اور حیثیت کا جامع جائزہ فراہم کرتے ہیں۔

کارپوریٹ اور فنانشل رپورٹنگ کا فریم ورک:

بورڈ آف ڈائریکٹرز تصدیق کرتے ہیں کہ درج ذیل امور میں سیکیورٹی اینڈ ایکسچینج کمیشن کے کارپوریٹ اور فنانشل رپورٹنگ فریم ورک اور کوڈ آف کارپوریٹ گورننس کے ضابطہ اخلاق پر عمل درآمد کیا گیا ہے:

☆ 30 جون 2025 کو اختتام پذیر ہونے والے سال کیلئے کمپنی ہذا کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے، کمپنی کے معاملات، اسکے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیاں شفاف انداز میں پیش کی گئیں ہیں۔

☆ کمپنی نے کھاتہ جات موزوں طور سے مرتب کئے ہیں۔

☆ مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں پر مستقل عمل درآمد کیا گیا اور اکاؤنٹنگ تخمینہ جات مناسب اور محتاط کاروباری قیاسیات پر مبنی ہیں۔

☆ مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز ملحوظ خاطر رکھے گئے ہیں اور اگر کسی جگہ ان سے انحراف کیا گیا ہے تو اسے مناسب طور پر وجوہات کے ساتھ واضح کیا گیا ہے۔

☆ اندرونی نگہداری کا نظام مضبوط بنیادوں پر استوار ہے اور اس کا نفاذ موثر طور سے کیا گیا ہے اور اس پر نظر بھی رکھی جا رہی ہے۔

☆ گزشتہ سال کے آپریٹنگ نتائج سے اگر کوئی واضح انحراف ہے تو اس کا تذکرہ اس رپورٹ میں مناسب جگہ پر کیا گیا ہے۔

☆ کاروبار جاری رکھنے کے سلسلے میں کمپنی کی اہلیت پر کوئی خاص شک وشبہ نہیں۔

☆ کارپوریٹ گورننس کے بہترین معمولات جیسا کہ ریگولیشنز میں مذکور ہیں سے کوئی اہم انحراف نہیں کیا گیا۔

☆ گزشتہ 6 سال کا اہم آپریٹنگ اور فنانشل ڈیٹا اس رپورٹ میں منسلک ہے۔

☆ 30 جون 2025 کو پراویڈنٹ فنڈ کی سرمایہ کاری کی قدر مبلغ 157 ملین روپے تھی۔

اکتوبر 2023ء سے، بھارت نے PFY کی درآمدات پر BIS (بیورو آف انڈین اسٹینڈرز) کے استثنیٰ کو ہٹاتے ہوئے نان ٹیرف بیریئر نافذ کیا تھا۔ اس اقدام کے نتیجے میں چین کی جانب سے بھارت کو PFY کی درآمدات 50,000 ٹن ماہانہ (سالانہ 600,000 میٹرک ٹن) سے کم ہو کر اب 10,000 ٹن ماہانہ (سالانہ 120,000 میٹرک ٹن) سے بھی کم رہ گئی ہیں۔ چینی پیداواری ادارے طویل عرصے سے بی آئی ایس ٹیم کو معائنہ اور منظوری کے لیے مدعو کرنے کی کوشش کر رہے ہیں، تاہم دیگر ممالک جیسے کوریا، تائیوان وغیرہ نے بی آئی ایس BIS کی منظوری حاصل کر لی ہے، چین کے لیے بی آئی ایس BIS کی آمد/منظور ہونے کی توقع نہیں ہے۔ تاہم، بھارت ایکسپورٹ بانڈ اسکیم کے تحت چینی PFY کو درآمد کرنے کی اجازت دیتا ہے، بشرطیکہ وہ پروسیسنگ کے بعد دوبارہ برآمد کی جائے۔ لہٰذا حقیقت میں یہ اقدام معیار یا معیارات کے سلسلے میں نہیں ہے بلکہ مقامی PFY صنعت کو چینی مصنوعات کی ضرورت سے زیادہ ڈمپنگ کے باعث ہونے والے نقصان سے بچانے کے لیے ہے۔

☆ اینٹی ڈمپنگ ڈیوٹی کے پانچ سالہ موثر نفاذ سے پاکستان میں PFY کی درآمدی مسابقتی یارن پر عائد ڈیوٹی کی سطح اس طرح برقرار رہے گی کہ مقامی پی ایف وائی تیار کنندگان اپنی پیداواری صلاحیت کو مکمل طور پر استعمال کر سکیں۔ اس سے وہ پاکستان کی PFY کی ملکی طلب کا تقریباً 50 فیصد حصہ پورا کر سکیں گے اور آئندہ تین سالوں میں اپنی پیداواری گنجائش کو بڑھا کر 75 فیصد سے زائد ملکی ضرورت پوری کرنے کی صلاحیت حاصل کر لیں گے، کیونکہ اس کے لیے مطلوبہ پولیمر کی صلاحیت پہلے ہی دستیاب ہے۔ درحقیقت، اگر صرف PFY کی ڈی ٹی وائی (DTY) قسم کو دیکھا جائے تو مقامی پیدا کنندگان، موثر اینٹی ڈمپنگ اقدامات کے ذریعے اپنی پیداواری صلاحیت کو مکمل طور پر استعمال کرنے کی اجازت ملنے پر، ملکی طلب کا 60 فیصد سے زیادہ حصہ پورا کر سکتے ہیں۔

☆ PFY ملک کی بڑی درآمدات میں شامل ہے، اس لیے اسے مقامی طور پر تیار کیا جانا ضروری ہے، بالخصوص جب اس کا خام مال پی ٹی اے (PTA) بھی مقامی طور پر ہی تیار کیا جاتا ہے۔ یہ بات بھی پیش نظر رہنی چاہیے کہ سال 2003ء میں فلیمنٹ یارن کی مقامی طلب کا 90 فیصد سے زائد حصہ ملکی پیداوار سے پورا کیا جا رہا تھا۔ مزید یہ کہ اس کے بعد ڈاؤن اسٹریم انڈسٹری اور طلب میں نمایاں اضافہ ہوا ہے، اور پی ایف وائی کی مجموعی طلب 2018-2017 میں 260,000 ٹن کے مقابلے میں اب 350,000 ٹن سے تجاوز کر چکی ہے۔ لہٰذا، اس کی مقامی پیداوار میں اضافہ نہ صرف ضروری ہے بلکہ ملکی کرنٹ اکاؤنٹ خسارے پر دباؤ کم کرنے کے لیے بھی ناگزیر ہے۔

دیگر معاملات

- ہماری مکمل ملکیتی ذیلی کمپنیاں، گیٹرون پاور (پرائیویٹ) لمیٹڈ اور جی-پیک انرجی (پرائیویٹ) لمیٹڈ بجلی پیدا کرنے اور فروخت کرنے کی معمول کی سرگرمیاں جاری رکھے ہوئے ہیں۔

- مکمل ملکیتی ماتحت میسرز گلوبل سنتھیٹکس لمیٹڈ نے تاحال اپنے آپریشنز کا آغاز نہیں کیا ہے۔

اسکیم آف ارینجمنٹ:

ڈائریکٹرز کے بورڈ نے اپنے اجلاس منعقدہ بتاریخ 10 فروری 2025ء میں کمپنی کو نوواٹیکس لمیٹڈ (NFL) اور غنی اینڈ طیب (پرائیویٹ) لمیٹڈ (G&T) کے ساتھ، ضروری منظوریوں کے حصول سے مشروط ایک اسکیم آف ارینجمنٹ میں داخل ہونے کی اجازت دی تھی۔ تاہم، حالیہ پیش رفت کے باعث NFL اور G&T نے مجوزہ اسکیم سے دستبرداری اختیار کر لی ہے۔ نتیجتاً، کمپنی نے بھی مورخہ 12 اگست 2025ء کی سرکولر قرارداد کے مطابق اپنی منظوری واپس لے لی ہے۔ ہم وضاحت کرنا چاہتے ہیں کہ مذکورہ دستبرداری سے کمپنی کے شیئر ہولڈرز کے کاروباری مفادات پر کوئی اثر نہیں پڑے گا۔

اختصاص:

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2025ء کے اختتام پذیر ہونے والے سال کیلئے کسی بھی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

آمدن/(خسارہ) فی حصص:

30 جون 2025ء کو اختتام پذیر ہونے والے سال کے لیے خسارہ فی حصص 18.13 روپے رہا۔

اہم تبدیلیاں اور معاہدے:

بیلنس شیٹ کی تاریخ اور رپورٹ ہذا کی تاریخ کے مابین کمپنی کی مالیاتی حیثیت میں تبدیلی لانے والی نہ کوئی اہم بات رونما ہوئی اور نہ ہی ایسے معاہدے ہوئے۔

چیئرمین کا جائزہ

کمپنی کی کارکردگی کیلئے چیئرمین کا جائزہ مذکورہ سالانہ رپورٹ میں منسلک ہے۔

اخراجات میں بچت اور دیگر اقدامات:

انتظامیہ منافع میں بہتری کے لیے متعدد اخراجات میں کمی کے منصوبوں پر فعال طور پر عمل پیرا ہے، جیسے کہ:

- کمپنی کی 100 فیصد ضروریات پوری کرنے کے لیے DTY / POY یونٹ کی اندرونِ ادارہ تیاری، جو کہ اب مکمل طور پر آپریشنل ہو چکی ہے۔
- توانائی کے اخراجات کم کرنے کے لیے موجودہ سولر پاور صلاحیتوں میں توسیع، اور پاور لاگت میں کمی کے لیے ونڈ پاور سمیت دیگر ذرائع کا جائزہ۔
- وقت اور حرکات کے تجزیوں کے ذریعے مزدوروں کی کارکردگی میں بہتری۔
- معیار پر سمجھوتہ کیے بغیر کم قیمت متبادل ذرائع سے خام مال کی خریداری۔
- مارکیٹ میں متنوع مصنوعات کے فروغ کے اقدامات۔

اخراجات اور مالیات:

گزشتہ سال کے مقابلے میں ڈسٹری بیوشن اور فروخت کے اخراجات میں 48 فیصد اضافہ ہوا، جبکہ انتظامی اخراجات میں 13 فیصد کمی واقع ہوئی۔ مالیاتی اخراجات میں 45 ملین روپے کا اضافہ ہوا۔ اسٹاک اور وصولیوں میں کمی کے لیے کوششیں جاری ہیں، تاہم متوقع اینٹی ڈمپنگ ڈیوٹی کے فیصلے کے پیشِ نظر مارکیٹ میں درآمدات کی بڑھتی ہوئی مقدار نے ان کوششوں کو پیچیدہ بنا دیا ہے۔ حال ہی میں ڈسکاؤنٹ شرح میں کمی کر کے اسے 11 فیصد کر دیا گیا ہے، جس سے آئندہ مالیاتی اخراجات میں کمی متوقع ہے۔

بیلنس شیٹ کی صورتحال (بمقابلہ 30 جون 2024ء):

- اسٹاک 190 ملین روپے کی کمی کے ساتھ 7,313 ملین روپے رہ گیا، اور 30 ستمبر کے نتائج میں مزید کمی متوقع ہے۔
- ڈیٹرز (قرضہ جات) 1,147 ملین روپے اضافے کے ساتھ 4,663 ملین روپے ہو گئے، تاہم 30 ستمبر کے نتائج میں اس میں کمی متوقع ہے۔
- کریڈیٹرز (قرض دہندگان) 972 ملین روپے کی کمی کے ساتھ 4,551 ملین روپے رہ گئے۔
- قلیل مدتی قرضہ جات میں 3,330 ملین روپے اضافہ ہو کر 6,909 ملین روپے تک پہنچ گیا، تاہم 30 ستمبر کے نتائج میں اس میں کمی کی توقع ہے۔

درپیش چیلنجز اور مستقبل پر ایک نظر:

☆ مئی 2025ء میں، NTC نے چین کے بڑے برآمد کنندگان پر PFY (پالیسٹر فلامنٹ یارن) پر حتمی اینٹی ڈمپنگ ڈیوٹیاں عائد کیں، جن کی حد 5.35 فیصد سے 20.78 فیصد تک ہے۔ ان میں صرف 3 سپلائرز پر 10 فیصد سے کم ڈیوٹی عائد کی گئی ہے، جبکہ دیگر تمام سپلائرز پر 13 فیصد سے زیادہ ڈیوٹی لگائی گئی ہے۔ اب کمپنی کی توجہ ڈیوٹیوں کے مؤثر نفاذ اور وصولی پر، اور اگر اسٹے آرڈرز جاری ہوں تو بینک گارنٹیوں کی وصولی پر مرکوز ہے — جو کہ ایک مسلسل عمل ہے جیسا کہ اوپر بیان کیا گیا ہے۔ پاکستان میں 5.35 فیصد کی کم از کم اینٹی ڈمپنگ ڈیوٹی کے مقابلے کا اندازہ لگانے کے لیے، درج ذیل ممالک میں چینی برآمد کنندگان پر پولی ایسٹر فلامنٹ یارن کی اینٹی ڈمپنگ ڈیوٹیاں عائد کی گئی ہیں:

- ترکی کی جانب سے کم از کم 16 فیصد یا 250$ / ٹن
- ہندوستان کی جانب سے کم از کم 23 فیصد
- امریکہ کی جانب سے کم از کم 76 فیصد سے 77 فیصد
- ویتنام کی جانب سے کم از کم ایک پروڈیوسر تاہم دیگر تمام پر 10 فیصد سے زائد (اور زیادہ سے زیادہ 21.2 فیصد)
- برازیل کی جانب سے 57.85$ سے 585.70 / ٹن (4.35 فیصد سے 44 فیصد)
- میکسیکو کی جانب سے 532$ / ٹن (40 فیصد)

لہٰذا، 7 بڑے ممالک بشمول کوریا نے چین سے درآمد شدہ پی ایف وائی (PFY) پر اینٹی ڈمپنگ یا کاؤنٹر ویلنگ ڈیوٹیاں عائد کی ہیں، جبکہ انڈونیشیا PFY کی درآمدات کو محدود کر رہا ہے، اپنے تاجروں کو اس کی درآمد کی اجازت نہیں دیتا اور اس پر درآمدی ڈیوٹی میں اضافہ کرنے کا ارادہ رکھتا ہے۔ لہٰذا، اس میں زیادہ تر PFY پیدا کرنے والے ممالک شامل ہیں۔ بنگلہ دیش اپنی PFY صنعت کو مسابقتی درآمدی یارن پر 25 فیصد درآمدی ڈیوٹی کے ذریعے تحفظ فراہم کرتا ہے۔

بورڈ آف ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان،

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2025ء کو ختم ہونے والے سال کیلئے گیٹرون (انڈسٹریز) لمیٹڈ کے سالانہ آڈٹ شدہ مالیاتی گوشواروں بشمول آڈیٹرز کی رپورٹ کو پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔

مالیاتی جائزہ:

زیر جائزہ سال کا مالیاتی خلاصہ مندرجہ ذیل ہے:

(روپے ملین میں)

	2024-25	اپریل تا جون 2025	جنوری تا مارچ 2025	اکتوبر تا دسمبر 2024	جولائی تا ستمبر 2024
خالص فروخت	26,328	6,840	6,363	7,220	5,905
آپریٹنگ منافع/(نقصان)	(101)	316	12	(169)	(260)
خسارہ قبل از محصولات اور انکم ٹیکس	(1,641)	(36)	(266)	(574)	(765)
محصولات اور انکم ٹیکس بشمول کم از کم ٹیکس	(330)	(85)	(79)	(92)	(74)
خسارہ بعد از انکم ٹیکس	(1,971)	(121)	(345)	(666)	(839)
ادا شدہ سرمایہ	1,087	1,087	1,087	1,087	1,087
حصص یافتگان کی ایکویٹی	11,373	11,373	11,466	11,782	12,448

30 جون 2025ء کو ختم ہونے والے سال کے لیے پچھلے سال کے اسی دورانیہ میں منافع قبل از محصولات اور انکم ٹیکس 94 ملین خسارے کے مقابلے میں قبل از محصولات اور انکم ٹیکس 1,641 ملین روپے کا نقصان ریکارڈ کیا۔ تاہم، اگر کمپنیو پاور ذیلی کمپنیوں کے نتائج شامل کیے جائیں تو آپ کی کمپنی نے قبل از محصولات اور انکم ٹیکس 1,674 ملین روپے کا نقصان اور بعد از انکم ٹیکس 2,015 ملین روپے کا نقصان اٹھایا ہے، جبکہ گزشتہ سال کے اسی دورانیہ میں بالترتیب 328 ملین روپے کا نقصان اور بعد از انکم ٹیکس 440 ملین روپے کا نقصان ریکارڈ کیا گیا تھا۔ الحمدللہ، موجودہ سال کی آخری سہ ماہی (اپریل تا جون 2025ء) میں گیس لیوی کے نفاذ کے باوجود 316 ملین روپے کا آپریٹنگ منافع ریکارڈ کیا گیا۔

سال کی خالص فروخت 26,328 ملین روپے رہی جو گزشتہ سال کے 34,014 ملین روپے کے مقابلے میں 23 فیصد کمی ظاہر کرتا ہے۔ یہ کمی دھاگے کی فروخت کی مقدار میں 13 فیصد کمی اور خام مال کی قیمتوں میں کمی کے باعث یونٹ ریٹس میں کمی کی وجہ سے واقع ہوئی۔

جیسا کہ گزشتہ رپورٹس میں بتایا جا چکا ہے، کمپنی کو مقامی مارکیٹ میں انتہائی کم قیمتوں پر درآمد شدہ یارن کی ڈمپنگ کے باعث شدید مشکلات کا سامنا ہے۔ تاہم، مئی 2025ء میں نیشنل ٹیرف کمیشن (NTC) نے چینی برآمد کنندگان کی جانب سے آنے والے پولیسٹر فلامنٹ یارن (PFY) پر حتمی اینٹی ڈمپنگ ڈیوٹی (ADD) عائد کی، جو 5.35 فیصد سے 20.78 فیصد تک ہے۔ ان میں سے صرف 3 سپلائرز پر 10 فیصد سے کم ڈیوٹی عائد کی گئی، جبکہ دیگر تمام سپلائرز پر 13 فیصد سے زیادہ ڈیوٹی لاگو کی گئی۔ اب کمپنی کی توجہ اینٹی ڈمپنگ ڈیوٹی کی مؤثر عمل درآمد اور وصولی پر، یا اگر عدالت سے اسٹے آرڈر حاصل کیا گیا ہو تو بینک گارنٹیوں کی وصولی پر مرکوز ہے۔ جولائی اور اگست میں کسٹم کے مرحلے پر حسب ضرورت اقدامات میں کمی دیکھی گئی، تاہم ستمبر کے اختتام تک اسٹے آرڈرز کی صورت میں بینک گارنٹیوں/پے آرڈرز کی وصولی کے حوالے سے مؤثر نفاذ شروع ہو گیا۔ یہ اقدامات مارکیٹ میں اینٹی ڈمپنگ ڈیوٹی (ADD) کے اثرات کو ظاہر کرنے اور اس کی بڑے پیمانے پر چوری کو روکنے کے لیے ناگزیر تھے — جیسا کہ 2017ء سے 2023ء کے گزشتہ اینٹی ڈمپنگ ڈیوٹی کے دور میں ہوا تھا، جس کے نتیجے میں 10 ارب روپے سے زائد کی اینٹی ڈمپنگ ڈیوٹی اب تک PFY کے صورت میں ادا نہیں کی گئی یا بچائی گئی۔

مسلسل ڈمپنگ اور ڈمپنگ ڈیوٹی سے بچاؤ کی کوششوں نے اب تک کمپنی کو اپنی پیداواری صلاحیت کے خاطر خواہ حد تک کم استعمال پر مجبور کیا ہے، حالانکہ گزشتہ 4 تا 5 سالوں میں پیداواری صلاحیت بڑھانے کے لیے 20 ارب روپے سے زائد کی سرمایہ کاری کی گئی، نتیجتاً کمپنی کی پیداوار 2020ء میں 65,000 ٹن سے بڑھ کر تقریباً 99,000 ٹن تک پہنچ گئی۔ 2017ء سے اب تک کمپنی کی پیداواری صلاحیت تقریباً 2.75 گنا اضافہ ہو چکا ہے۔ مذکورہ توسیع نے واضح طور پر بڑھتے ہوئے فرسودگی اور مالیاتی لاگت کے ذریعے نتائج پر بہت زیادہ بوجھ ڈالا جو کم آپریٹنگ سطح پر مزید بڑھ جاتے ہیں۔ ہدف یہ ہے کہ پیداواری شرح میں اضافہ کیا جائے بغیر اس صورت حال میں پہنچے کہ اسٹاک (انوینٹری) میں اضافہ ہو جائے اور اس کے نتیجے میں انوینٹری رکھنے کی لاگت بڑھ جائے۔

مزید برآں، ایکسپورٹ فسیلیٹیشن اسکیم (EFS) کے تحت ڈیوٹی فری درآمدات کا مقامی فروخت کے لیے غلط استعمال مارکیٹ کی قیمتوں پر دباؤ ڈال رہا ہے۔

Gender Pay Gap Statement

As part of our ongoing commitment to Diversity, equity, and inclusion in the workplace, we have conducted a detailed review of gender pay differences across key employee categories. The figures below reflect comparisons of average (mean) and middle (median) hourly earnings between men and women in equivalent Levels.

Gender Pay Gap by Grade

	Women		Men		Mean Gap	Median Gap
	Mean	Median	Mean	Median		
Junior Management	87,000	89,000	76,939	76,289	(13.08)	(16.66)
Line Management	180,000	180,000	133,993	122,065	(34.34)	(47.46)
MTs	40,000	40,000	40,000	40,000	-	-

These figures highlight positive progress in promoting gender balance and pay equity across management levels. Notably, gender parity has been achieved at the MT Grade, and women in Junior and Line Management are earning more than their male counterparts — an encouraging reflection of merit-based advancement and inclusive practices.

We remain committed to maintaining a fair, performance-driven culture, grounded in equal opportunity, where all employees are rewarded equitably for their contributions. Ongoing monitoring and analysis will ensure we continue to identify and address any underlying structural factors.

SUSTAINABILITY REPORT

Gatron

SUSTAINABILITY REPORT
(2024-25)

Gatron

Introduction

At Gatron, sustainability continues to be the foundation of our business strategy, guiding our efforts to create long-term value for the environment, society, and economy. As a leading industrial organization, we acknowledge our responsibility to contribute to sustainable development and remain committed to aligning our initiatives with the United Nations Sustainable Development Goals (UN SDGs).

This year's Sustainability report (2024–25) reflects our progress and renewed commitment across critical areas such as renewable energy adoption, water stewardship, responsible production practices, circular economy solutions, and employee well-being. Our focus is not only on meeting today's needs but also on safeguarding resources for future generations.

By harnessing innovation, enhancing operational efficiency, and empowering our people, we continue to implement initiatives that minimize our environmental footprint, promote workplace health and safety, support community development, and encourage sustainable growth across our value chain.

Gatron remains dedicated to creating measurable impact through actions that advance global sustainability priorities, reinforcing our vision of building a resilient, responsible, and inclusive future for all.

Our Sustainability Journey

Gatron began its formal sustainability reporting journey in 2020 with a clear vision to integrate the United Nations Sustainable Development Goals (UN SDGs) into our business practices. Our initial focus was on five priority goals, aimed at reducing our environmental footprint, improving resource efficiency, and enhancing the well-being of our employees and the communities we serve. Over the past years, we have achieved meaningful progress, implementing projects that delivered tangible environmental and social impact.

Building on this foundation, we are now broadening our scope by incorporating additional SDGs into our long-term strategy. For 2024–25, we have set ambitious new targets supported by defined action plans. Our priorities include expanding renewable energy adoption, strengthening water stewardship, advancing responsible production, and integrating circular economy solutions across our operations.

As we continue this journey, Gatron remains committed to driving sustainable growth, creating long-term value for stakeholders, and contributing to a resilient and inclusive future for all.

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KEY HIGHLIGHTS

Co^2 Emission	Natural Gas	Solar System	Recycled Water
Reduction Of Co_2 Emission	Saved Natural Gas	Renewable Energy Generated	Water Consumption from Recycled Water
1,435 Tons	1,059,181 M^3	3.5 Million kWh Unit	8.3 Million Gallons

Meals	Transportation	Training
Subsidized Meals Provided	Free Rides Provided for Our Staff	Linkedin Learnings
762,000+	792,000 +	670 +

Good Health & Well-Being	Pet Bottles
OPD and Eye Surgeries	Pet Bottles Recycled
20,000 +	94.6 Million

Plantation Drive
Trees Planted
300

UNSDG 7: AFFORDABLE & CLEAN ENERGY

At Gatron, we are committed to sustainable operations by leveraging advanced energy monitoring systems to optimize a diversified energy portfolio. This approach enhances operational efficiency, ensures energy security, and reduces our environmental footprint.

Our energy mix includes:

- **Gas, Heavy Fuel Oil (HFO), Gas and Steam Turbines, and Solar Power:** A balanced and diversified portfolio that supports our sustainability goals while maintaining a reliable energy supply.
- **Electricity from K-Electric (KE):** In addition to self-generation, electricity is purchased from the national grid to support operations during natural gas shortages for our gas engines. However, this supply remains inconsistent and unreliable.
- **Heating from Biomass:** We are actively developing a project to transition heating requirements from Gas and HFO to biomass-based solutions, reducing reliance on fossil fuels.
- **Future Wind Power Facility:** Feasibility studies are underway for establishing a wind power facility in the Hub district, further strengthening our renewable energy initiatives.

Through these initiatives, Gatron is progressively transitioning toward cleaner energy sources, aligning with global sustainability practices, and contributing to climate action goals

Commitment to Renewable Energy

Gatron currently operates 2.8 MW of solar power capacity, resulting in annual savings of 1,435 tons of CO_2 emissions and 1,059,181 cubic meters of natural gas. This investment significantly contributes to our renewable energy portfolio and demonstrates our commitment to reducing our environmental footprint.

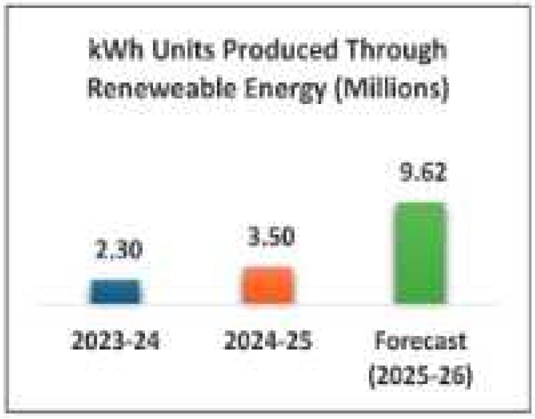
Expansion Plans

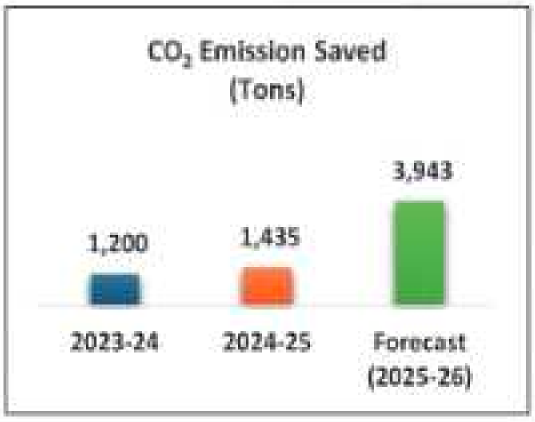
To further enhance efficiency and sustainability, we are in the process of installing an additional 5.72 MW of solar capacity and exploring the feasibility of an additional 3 MW within this year. These projects will substantially increase our renewable energy contribution and reduce reliance on fossil fuels.

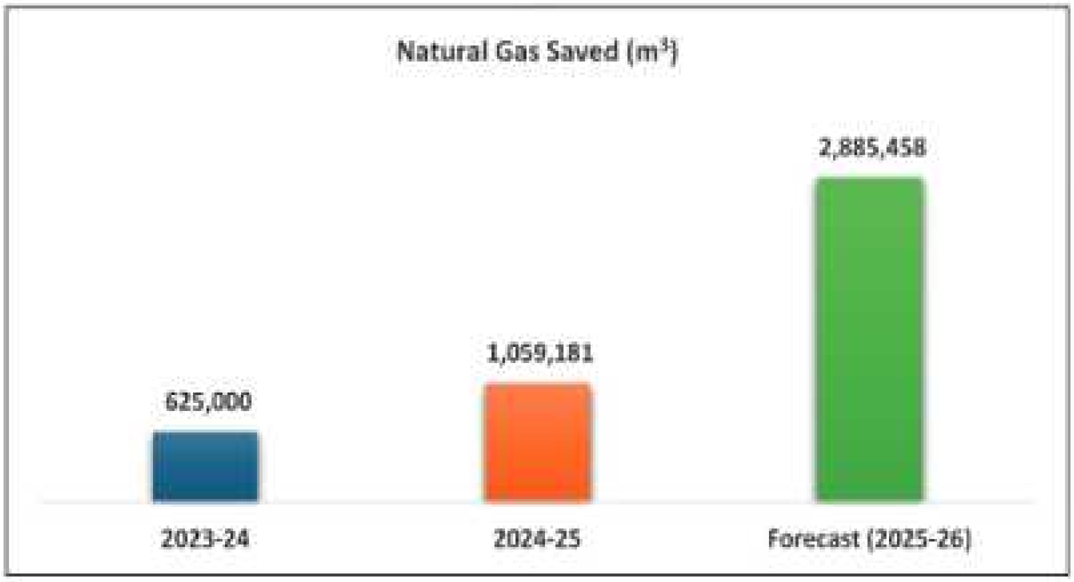
Gatron

Current and Future Renewable Energy Usage

At present, Gatron's total energy consumption is sourced from renewables is 2.8 MW, with solar power generating 3.5 million units annually. Looking ahead, we are committed to increasing the renewable share to at least 11.52 MW by tripling our solar generation capacity. This expansion is projected to generate approximately 9.62 million units of clean energy annually, reinforcing our long-term sustainability goals and accelerating our transition to a low-carbon future.







Energy Efficiency Projects

At Gatron, we are committed to advancing responsible energy management in alignment with UN SDG 7 (Affordable & Clean Energy), SDG 12 (Responsible Consumption & Production), and SDG 13 (Climate Action). Through targeted energy-efficient projects and fuel conservation initiatives, we are significantly reducing our environmental footprint while enhancing operational efficiency.

In 2024–25, we implemented multiple CSR-driven energy and resource efficiency initiatives that delivered measurable environmental and operational benefits:

- **Staff Transport Optimization:** Saved 26,472 liters of diesel annually, cutting costs by PKR 12.94 million and reducing emissions, aligned with SDGs 7, 11, and 13.
- **Pump Optimization:** Achieved ~155,868 kWh annual energy savings, avoiding ~418 tons of CO_2 emissions, contributing to SDGs 7, 9, 12, and 13.
- **Lifter Operations Optimization:** Reduced diesel consumption by 9,840 liters, avoiding ~26.3 tons of CO_2 emissions, supporting SDGs 7, 11, 12, and 13.
- **Energy & Resource Optimization:** Lowered electricity demand and chemical usage through catalyst and TiO_2 reduction, enhancing efficiency and supporting SDGs 7, 9, 12, and 13.

Overall Impact

- **Diesel Saved:** 36,312 liters (26,472 + 9,840).
- **Energy Saved:** ~155,868 kWh annually.
- **CO_2 Avoided:** ~444 tons (418 + 26.3).

Financial Saving: PKR 12.94 million annually (from transport alone, with further cost benefits from energy optimization).

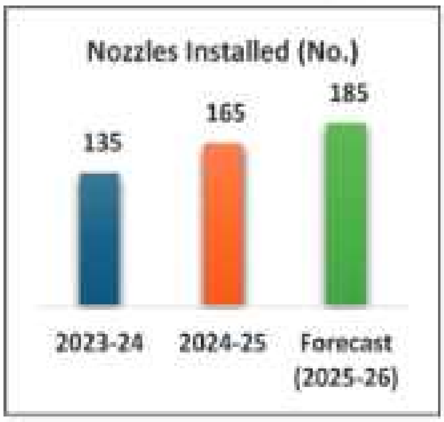
These initiatives collectively strengthened our climate responsibility, operational efficiency, and contribution to global sustainability goals, embedding CSR into our core operations.

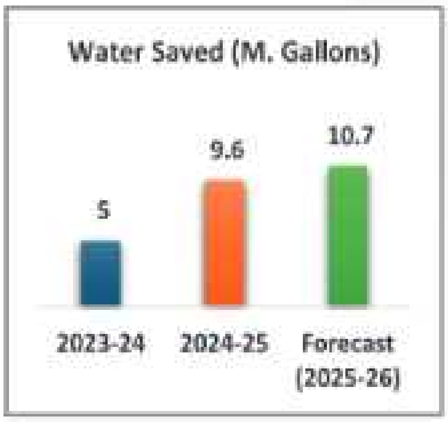
UNSDG 6: CLEAN WATER AND SANITATION

At Gatron, water conservation remains a core pillar of our sustainability strategy, reflecting our commitment to preserving one of the planet's most vital resources. Recognizing the critical role of water for both our operations and the communities we serve, we have adopted a comprehensive water management approach centered on efficiency, recycling, and sustainable practices.

- **Effluent Treatment Plant (ETP):** Through advanced treatment technologies, we treat **8.3 million gallons of wastewater annually**, ensuring discharged water meets strict environmental standards to protect local ecosystems.
- **Reverse Osmosis (RO) and Ultrafiltration Plant:** Our RO system treats blowdown wastewater from cooling towers, conserving **8.93 million gallons of freshwater each year.**
- **High-Efficiency Water Nozzles:** The installation of **165 water-saving nozzles** has enabled annual savings of **9.6 million gallons**. An additional **20 sites** have been identified for future installations, further strengthening our conservation efforts.
- **Dissolved Air Flotation (DAF) System:** This system recovers and reuses **1.57 million gallons of backwash water** from the Ultrafiltration (UF) plant, improving water recycling efficiency.

Through these initiatives, Gatron now recycles 8.3 million gallons of its total water consumption, directly supporting UN Sustainable Development Goal (SDG) 6: *Clean Water and Sanitation*. By championing innovative water practices, we continue to set benchmarks for responsible water management in the industrial sector, reinforcing our commitment to future generations.



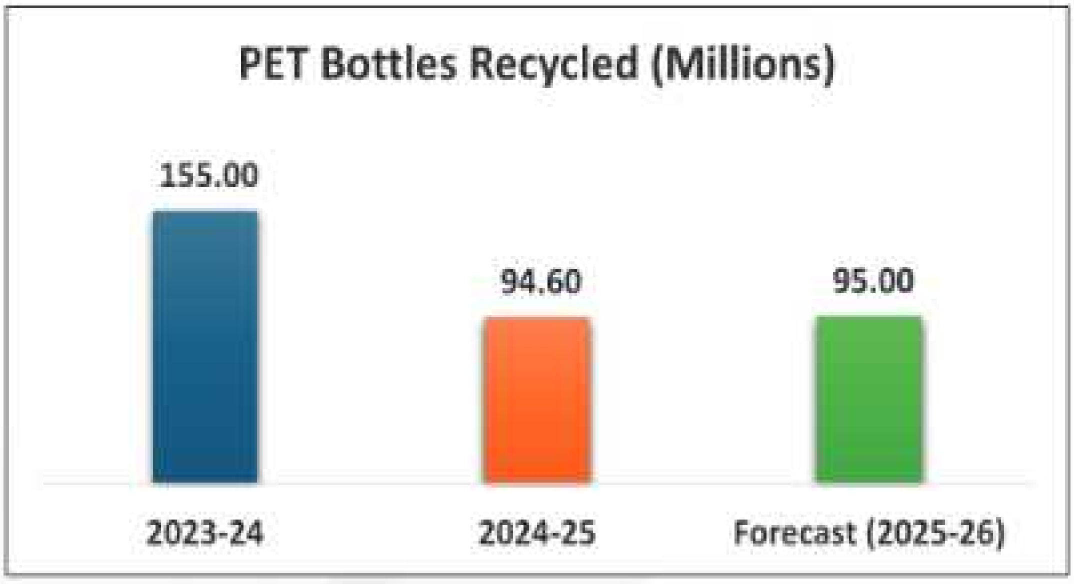


UNSDG 12: RESPONSIBLE CONSUMPTION & PRODUCTION

Gatron remains committed to advancing **responsible consumption and production** by optimizing resource utilization and embedding sustainable practices across operations.

Key initiatives include:

- **Waste Minimization:** In FY 2024–25, we recycled over **94.6 million PET bottles** into high-quality recycled polyester yarn under our brand *Ecoron*. This initiative not only diverts plastic from landfills and oceans but also contributes to reducing our overall carbon footprint by extending the life cycle of plastics



- **Resource Efficiency:** Through strategic investments in **high COP chillers, advanced air compressors, and heat recovery systems**, we achieved measurable reductions in energy demand and natural gas consumption. These efforts directly support lower greenhouse gas emissions while driving more sustainable production processes.
- **Sustainable Product Innovation:** By embedding circular economy principles, Gatron continues to develop environmentally responsible products. The use of recycled inputs in manufacturing strengthens supply chain sustainability and reduces dependency on virgin raw materials.
- **Community Engagement & Education:** We actively engage employees and surrounding communities to raise awareness on responsible consumption, waste reduction, and environmental stewardship.
- **Tree Plantation Drive:** Demonstrating our environmental commitment, Gatron planted **300 trees and plants** within our premises during the year. Looking ahead, we aim to collaborate with local authorities for a **large-scale plantation initiative along Hub River Road**, contributing to carbon sequestration, biodiversity enhancement, and improved community well-being.

By continuously innovating in **resource management, product sustainability, and community engagement**, Gatron aligns its practices with the **UN Sustainable Development Goals (SDG 12)** and global sustainability benchmarks, ensuring a responsible and resilient future.

UNSDG 8: DECENT WORK & ECONOMIC GROWTH

At Gatron, we are committed to fostering inclusive and sustainable economic growth while ensuring decent work opportunities for all employees. In alignment with **UN SDG 8 (Decent Work and Economic Growth)**, we continue to invest in initiatives that strengthen employee well-being, professional development, and community engagement.

- **Employee Welfare:**
    - **Subsidized Meals:** This year, we provided over **762,427 subsidized meals** through our in-house catering facilities, which operate under strict hygiene standards. These meals ensure that employees have access to affordable and nutritious food every day.
    - **Transportation Facilities:** We provided approximately **792,415 free rides** through our employee transportation program, covering the entire Hub region and Karachi. By offering reliable and cost-free commuting, we improve accessibility while enhancing both well-being and job satisfaction.
    - **Employee Engagement:** We actively foster a culture of inclusivity and belonging by organizing a variety of events and initiatives, including Eid celebrations, Independence Day festivities, picnics, dinners, farewell gatherings, town hall

meetings, retirement acknowledgments, and the **annual Hajj balloting, which enables 4 employees to perform Hajj each year**.

    - **Training and Development:** This year, our employees completed **676 LinkedIn Learning courses**, equipping them with new skills and knowledge to advance their careers. Such investments in professional growth not only empower individuals but also build long-term organizational resilience.

- **Talent Management:** We continue to strengthen our talent management systems through the implementation of **SAP SuccessFactors**, structured **KPIs**, and a robust performance management system. To safeguard health and safety, we also conduct regular **health risk assessments** for workers in our polymer plant, ensuring a safe and secure work environment.
- Through these initiatives, Gatron is creating a supportive and empowering workplace where employees can thrive. Our efforts demonstrate a clear commitment to **sustainable economic growth, decent work, and community well-being**, reinforcing our role as a responsible employer and industry leader.

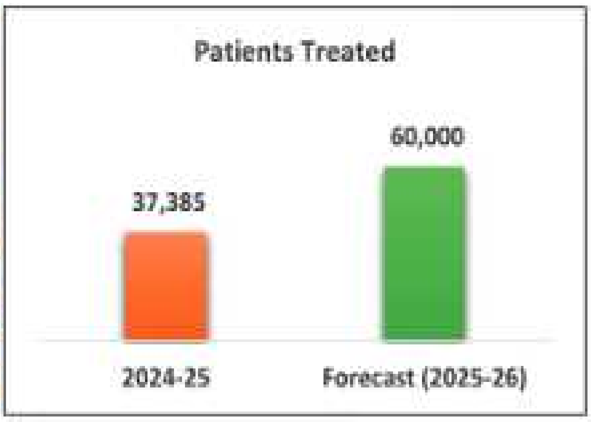
UNSDG 3: GOOD HEALTH & WELL-BEING

At Gatron, we remain committed to safeguarding the health and well-being of our employees and the communities we serve. In line with **UN SDG 3 (Good Health and Well-Being)**, we continue to expand access to quality healthcare, promote workplace safety, and strengthen community health support systems.

• **Sina Clinic Inauguration Ceremony:** In early 2024, the **Gatron Foundation**, a welfare arm of the group, partnered with **Sina Clinic** to establish a new healthcare facility in **Baldia, Karachi**, which officially opened during the 2024–25 period. With the capacity to treat more than **3,500 patients**, the clinic is dedicated to delivering high-quality healthcare to underserved communities.

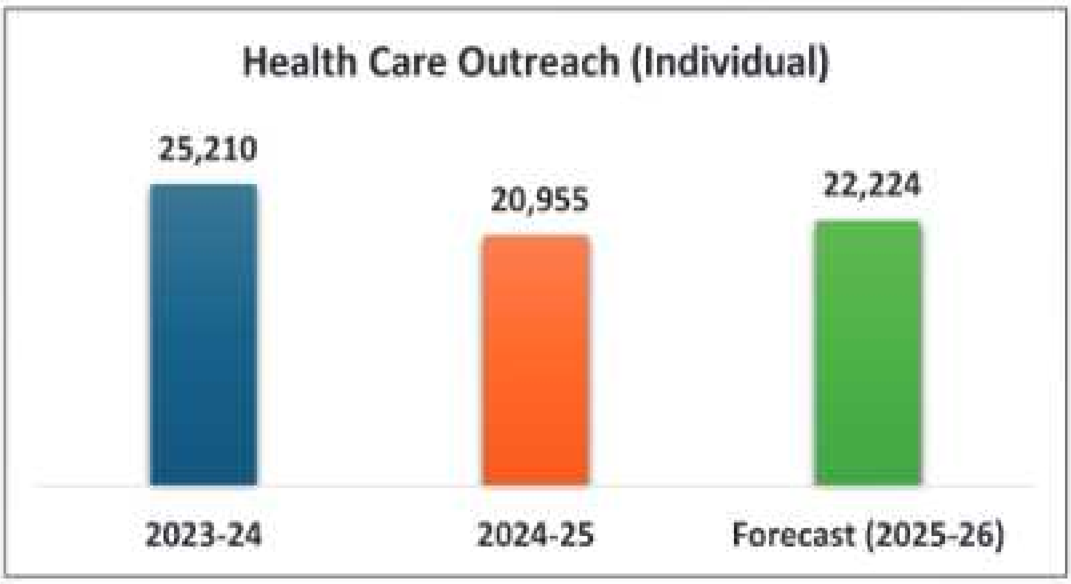
The inauguration ceremony—marked by a ribbon-cutting led by **Mr. Pir Muhammad Diwan, Founder of Gatron (Industries) Limited and Gatron Foundation**, alongside the company's CEO and senior dignitaries—symbolized Gatron's long-term commitment to accessible and compassionate healthcare for all.

At Sina Clinic, we provided over 37,000 essential health services to the local community.

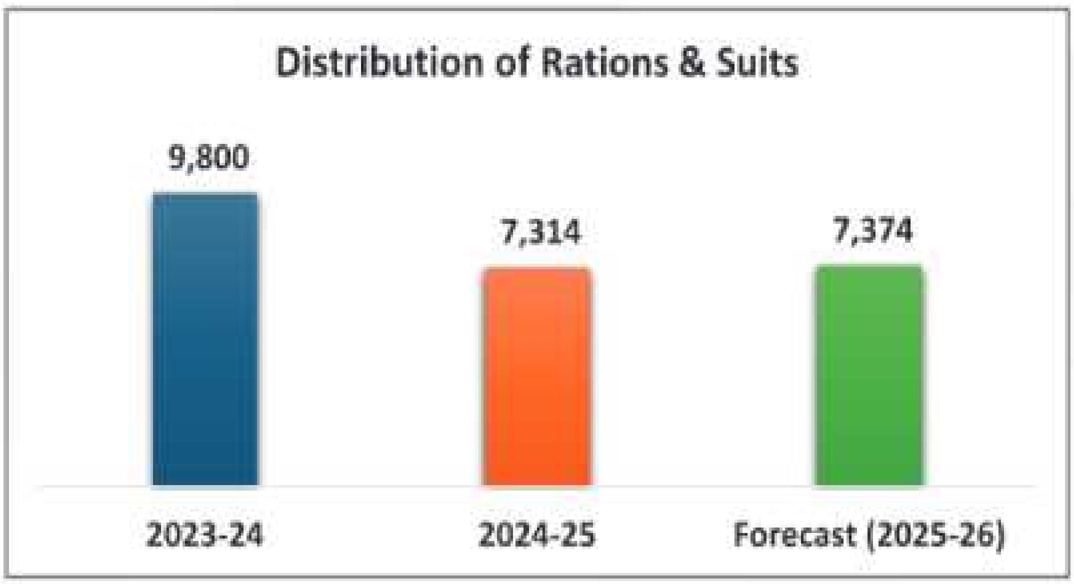


• **In-house Clinic Facilities:** Gatron continues to operate an **in-house clinic**, ensuring immediate and accessible healthcare services for employees. This on-site facility minimizes downtime and helps maintain a healthier workforce.

• **Sponsorship of Eye Care Unit at Uthal and Hub, Baluchistan:** We sponsor an **Eye Care Unit in Baluchistan**, providing essential eye health services to the local community. In 2024–25, the unit conducted **19,500 outpatient consultations** and performed **1,455 eye surgeries**, making a significant impact on the prevention of blindness and the promotion of healthy vision.



• **Distribution of Rations and Suits:** To support employee welfare beyond the workplace, Gatron distributed over **4,819** ration bags to more than 1,200 families and provided suits to over **2,500** workers this year. These initiatives promote nutritional security and enhance the overall living standards of our workforce.



• **Health and Safety Training:** We significantly scaled up our training initiatives, conducting **361 in-house and external health & safety sessions**, covering areas such as **PSM, LOTOTO, Risk Analysis, Permit to Work System, and Gas Testing**. These sessions, supported by industry experts from **K-Electric and NILAT**, reinforced a strong safety culture and prepared employees to proactively manage workplace risks.

• **Personal Protective Equipment (PPE):** The mandatory use of PPE—including helmets and safety shoes—remains a cornerstone of our workplace safety standards, preventing injuries and protecting employees on-site.

• **Safety Performance:** Our continued focus on safety has resulted in **zero fatalities this year**. Recordable incidents showed measurable improvement, with **4 Lost Time Injuries (LTI) and 9 Medical Treatment Injuries (MTI)** reported, reflecting a **24% reduction in total recordable incidents compared to last year**. These results underscore the effectiveness of our safety systems and our commitment to continuous improvement.

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Through these initiatives, Gatron demonstrates its commitment to creating a **safe, healthy, and resilient work environment** while extending healthcare access to surrounding communities. By prioritizing well-being at every level, we continue to strengthen our role as a responsible, people-focused organization.

Life Below Water - Protecting Marine Ecosystems

We recognize the **critical importance of safeguarding marine ecosystems** as an integral part of our sustainability vision and our alignment with **UN SDG 14: Life Below Water**.

- **Beach Cleanup and PET Bottle Collection Initiative**

Gatron Industries Ltd., in partnership with the **Pakistan Navy**, organized a large-scale **Beach Cleanup and PET Bottle Collection drive**. This initiative not only removed significant volumes of plastic waste from coastal areas but also raised public awareness on the urgent need to reduce marine pollution. By actively engaging employees, partners, and members of the wider community, the campaign fostered collective responsibility for environmental stewardship and reinforced the value of recycling.

- **Commitment to Biodiversity Protection**

Through this and other sustainability-driven actions, Gatron continues to advance its commitment to protecting biodiversity, reducing plastic leakage into oceans, and building resilient ecosystems. Our efforts reflect a broader responsibility to create cleaner coastlines, healthier marine environments, and a more sustainable future for generations to come.

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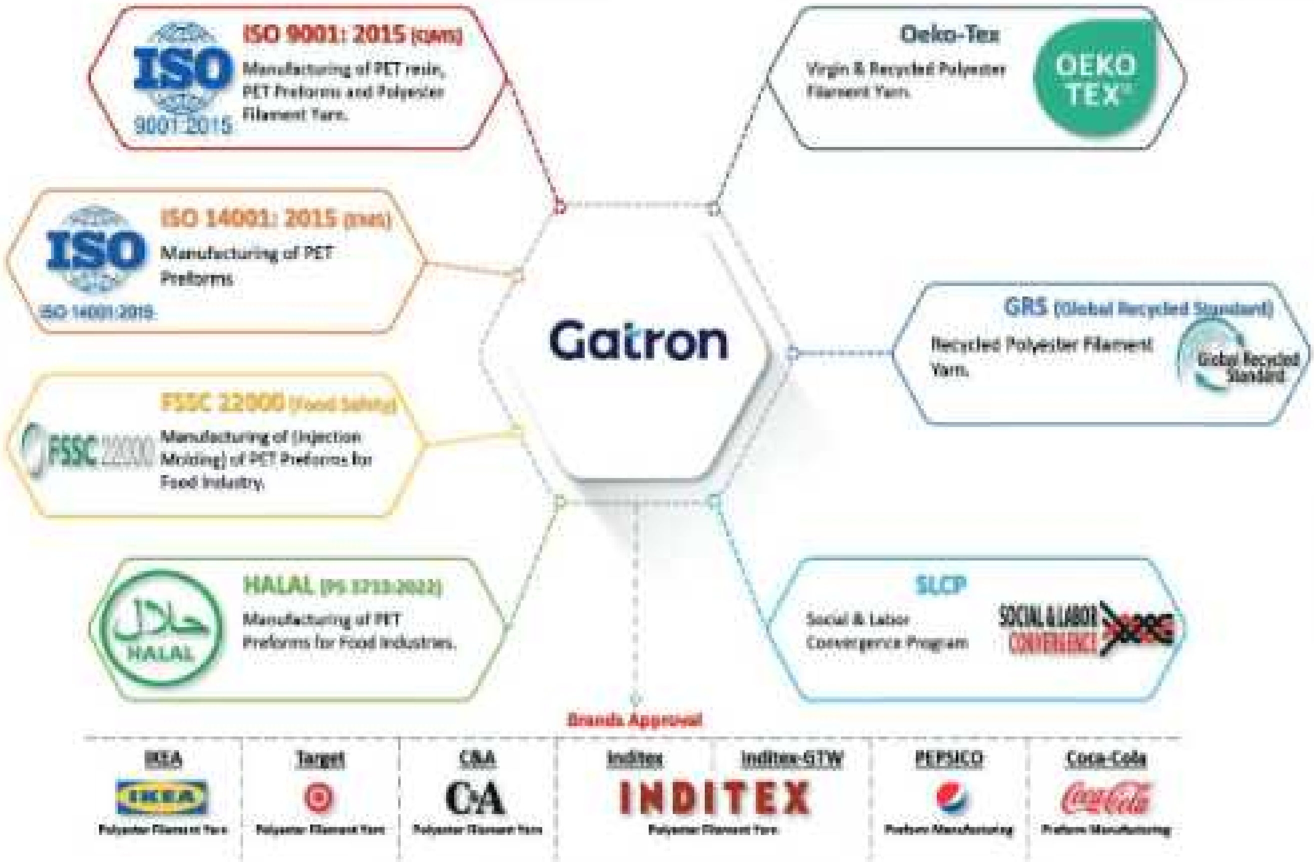
Commitment to International Standards and Responsible Production

At Gatron, our sustainability journey is underpinned by a strong foundation of **globally recognized certifications and brand approvals**. These achievements reflect our commitment to **quality, safety, environmental responsibility, and ethical business practices**.



- **Certified Excellence**: Our facilities are certified to international benchmarks, including **ISO 9001:2015 (Quality Management)**, **ISO 14001:2015 (Environmental Management)**, **FSSC 22000 (Food Safety)**, and **HALAL (PS 3733:2022)** standards. These certifications demonstrate our dedication to delivering products that are **safe, sustainable, and consistently reliable**.
- **Sustainable and Ethical Production**: Through certifications such as **Oeko-Tex®**, **Global Recycled Standard (GRS)**, and participation in the **Social & Labor Convergence Program (SLCP)**, we ensure that our operations adhere to **sustainable material use, circular economy principles, and fair labor practices**.
- **Global Brand Trust**: Our colaboration from leading global brands including **IKEA, Target, C&A, Inditex, PepsiCo, and Coca-Cola** are a testament to our ability to meet the **highest international standards for quality, sustainability, and compliance**.

Together, these certifications and partnerships reinforce Gatron's role as a **responsible global partner**—committed to **reducing environmental impact, protecting human rights, and driving continuous improvement across our value chain**.

HUMAN RESOURCE MANAGEMENT
RISK MANAGEMENT
FIRE AND SAFETY
INFORMATION TECHNOLOGY

HUMAN RESOURCE MANAGEMENT

At Gatron (Industries) Limited (as part of Gatronova), we remain committed to our vision of becoming the employer of choice, providing opportunities-through a structured framework for employees to be hired, developed, and managed in ways that support the achievement of long-term organizational goals while creating maximum stakeholder value. Our Human Resource function continues to build and sustain a highperformance culture where individual aspirations are aligned with organizational objectives under an enabling environment of digitalization, innovation, inclusivity, and employee well-being.

The HR function operates through a robust framework of HR Business Partnership, Centers of Excellence (CoE), Talent Acquisition, and HR Operations. The CoE continues to identify emerging HR challenges and design programs that provide future-ready solutions based on global best practices, while the HR Business Partners act as strategic enablers and change agents, working with business leaders to drive performance and transformation.

Under the broader Digital Transformation Agenda, significant progress was made in 2025 with the implementation of a 360-degree feedback system, further strengthening our talent management and leadership development frameworks. This complements our earlier deployment of SAP SuccessFactors, which continues to enable end-to-end digitalization of HR processes across Human Capital Management, Recruitment, Performance Management, Compensation & Benefits, and Payroll Administration, also moving towards live dashboards for HR Analytics, enabling real-time insights and data driven decision-making across the HR value chain.

In the area of Talent Management and Development, the company introduced innovative learning formats by evolving our LinkedIn Learning programs and knowledgesharing book clubs into a hybrid learning model, offering employees both virtual and in person opportunities for professional growth. This approach not only enhanced participation but also ensured the practical application of knowledge in day-to-day roles.

On the Talent Acquisition and Employer Branding front, the company has strengthened its presence by increasing its visibility across social media platforms, showcasing our culture, opportunities, and achievements to a wider talent pool. Alongside this, a corporate rebranding initiative, including a redesigned logo, has reinforced the company's modern and forward-looking identity in the market. In addition, the company has taken deliberate steps toward enhancing diversity in hiring, ensuring opportunities for talent across different backgrounds while promoting an inclusive workplace.

Our Leadership & Trainee Programs were further expanded in 2025, with continued focus on nurturing future leaders through structured development journeys for Management Trainees, SAP Trainees, CA, ACCA, ICMA Trainees, and Graduate Trainee Engineers. These programs ensure a steady pipeline of young professionals equipped with both technical expertise and organizational values to support the company's longterm growth.

Strengthening Employee Engagement and Culture, we placed emphasis on building a connected and inclusive workplace by celebrating cultural events such as Eid and Independence Day, which not only brought employees together but also reinforced a sense of unity, belonging, and pride. The company also introduced a defined framework of Core Competencies, embedding the principles of being Adaptable to Change, a Collaborative Team Player, and Thinking & Acting Like an Owner. These competencies now serve as the foundation for employee development, performance management, and leadership behaviors, ensuring strong alignment between people practices and the long-term vision.

Through these initiatives, the company continues to invest in its people, strengthen its organizational culture, and position itself as an employer of choice in the industry, aligning with its long-term vision of sustainable success.

RISK MANAGEMENT

Risk is an unavoidable element of business, but effective management determines whether it becomes a setback or an opportunity. The Insurance Management Department plays a key role in transferring exposures away from the Group's balance sheet, maintaining financial stability, and supporting continuity of operations.

Financial risks are addressed through structured risk transfer mechanisms covering property damage, machinery breakdown, and business interruption. Business interruption protection is particularly critical, as it safeguards cash flow and profitability in the event of operational disruptions. In addition, trade credit risks are also being transferred diligently, in international markets, strengthening the Group's position in global trade.

Operational and hazard risks are managed through regular surveys carried out across our sites in Pakistan and abroad, supported by leading international consultants, reputed local consultants as well as in-house expertise that keep us abreast to identify vulnerabilities, enhance controls, and strengthen resilience across production and supply chains, in close coordination with our specialized HSE function. In recognition of those improvements, we leveraged wider coverages and discounts.

Strategic risks are also considered at the planning stage of new projects. By aligning risk transfer requirements with long-term investment objectives, we ensure that future growth is built on a solid foundation of 360-degree protection and resilience.

Ultimately, our approach is not limited to purchasing insurance. It is about building a framework that allows the Group to withstand disruptions, preserve stability, and continue to grow with confidence.

HSE & FIRE SAFETY MANAGEMENT SYSTEM

Health and safety are of highest value to Gatron (Industries) Ltd. Our approach towards health and safety is primarily preventive in nature and focused on enhancement of the occupational health and safety culture across the company.

This includes all our operational sites and manufacturing facilities. This health and safety structure is designed for minimizing occupational incidents, illnesses and major adverse effects.

The Safety Operation/HSE Committee, consisting of senior management, has been formed for this purpose. They conduct safety operation committee meetings on monthly/ quarterly basis. They also convene monthly to review accidents or incidents through HSE department via root cause analysis reports and advice as well as provide resource mitigation.

All critical activities are followed by safe system (Work Permits) and joint Job Safety Analysis by the process, maintenance and HSE Department representatives to complete the tasks safely in all regards. In fact, for safe operation planned preventive as well as corrective maintenance schedules are being prepared on SAP PM Module and implemented accordingly.

In addition, all spark potential activities and other critical activities are being followed by the Work Clearance Management System (new launched SAP Module) The company has inducted a fire tender to tackle fire emergency situations at any corner of the plant. Furthermore, one ambulance is always available and ready at our operational facility with adequate equipment/accessories for shifting injured people to the hospital after giving first aid at First Aid Room by the Para Medical Staff.

In addition to Fire Safety Men in each shift, Emergency Response Team is also established developed for the support to tackle any type of emergency.

Emergency cabinets are placed at different critical locations of plants and at office premises with maximum stock of personal protective equipment and rescue items. Health Safety Environment Department's Representatives conduct Fire Safety Risk Assessment Surveys to identify fire safety hazards on regular basis for reduction of workplace hazards and also issue stop cards through email to the concerned department for corrective action.

Additionally, we conduct comprehensive Occupational Health and Safety Training sessions including practical live firefighting mock drills, so as in case of any emergency available staff could handle the situation through their skills. Furthermore, annual refresher training courses are also being conducted of all employees, including top management and contractor's workforce.

Emergency evacuation drills conducted on biannual basis to make the occupants know how to escape out in case of any natural or other technological disaster.

Health Safety Environment Department has developed HSE Policy, specific procedures as and following manuals/booklets as well:

- Emergency Response Manual
- Business Continuity Plan
- Small pocket size Fire Safety Guidebook in Urdu provided to all employees for study and review
- Project Fire & Safety (Passive and Active Management System) Guidelines
- HSE Management System Code of Practices
- Contractor Fire & Safety Management System
- Permit To Work/Maintenance Order Standard Procedure

We have implemented procedures based on nationally and internationally recognized laws and customers' code of conduct, covering environment, occupational safety and health.

In fact, crucial focus is being given on Process Safety Management System through consultation with relevant departments and implementing relevant elements accordingly for example, Safety Data Sheets, Management of Change /Change of Management Job Safety Analysis, Pre- Box up checks, Pre-start checks etc. In addition, arranging fire watch /safety watch for spark potential and critical activities.

Enhancement of skills of areas employees, either dedicated HSE staff, emergency response team, operation, maintenance teams and establishing safety champions from each department. After training, analysis training is also conducted periodically for employees and refreshers as well.

Advancement of fire safety management system through new technologies and according to international certified bodies guidelines, furthermore, inducting new fire pumps 1250 GPM 14 Bar for high rise building and connecting with existing fire water line circuit.

Fire Safety equipment preventive plan (inspection, testing and maintenance) is being carried out on periodical basis to keep these ready all the time.

By the Grace of Almighty Allah, since the beginning of its operation, there has been no fatality at Gatron (Industries) limited and we take every precaution to keep it at "Zero".

Our aim for the years to come is "Zero". We have set our objective to reduce our Lost Time Injury cases by "75%" in the years 2024-25 and "80%" by June 2025. Which means that there were 5 injuries in the year 2024 and 2 injuries by the year 2025.

We have HSE & Security Control Room at Head Office; it is being manned round the clock. And connected with factory team to update status as well as to provide them with relevant resources as required or in emergency as well.

Head office building is also equipped with adequate fire safety equipments and is being maintained accordingly.

Head office building has been provided with proper first aid room with relevant equipment and managed by HSE department /Medic on daily basis.

Emergency Evacuation Drills are being conducted on a bi-annual basis, furthermore, Emergency Response Team (ERT) mock drills are also being conducted on monthly basis.

Head office building is also green certified and energy saving techniques / tactics are being maintained accordingly.

Safety is Gainful & Accident is Painful

INFORMATION TECHNOLOGY

Gatron continues its digital transformation journey by adopting next-generation technologies and aligning IT initiatives with long-term business objectives. The focus has progressed from process automation to building an intelligent enterprise, ensuring agility, resilience, and innovation.

As part of this vision, Gatron is in the process of migrating to SAP RISE Cloud through a "Lift and Shift" approach. This initiative is aimed at transitioning the existing SAP landscape into a scalable and secure private cloud environment while ensuring business continuity. In parallel, the SAP S/4HANA system has been upgraded from 2020 to the 2023 release, enabling smoother operations, minimal downtime, and enhanced functionality.

On the Human Capital side, Gatron is preparing to activate Joule, an AI-driven innovation within SAP uccess Factors. Joule will bring conversational AI for self-services into HR processes, supporting personalized learning, intelligent workforce planning, and enhanced productivity.

Gatron has embarked on strengthening data management through Enterprise Master Data Governance (MDG). Phase 1 covers the Materials Management (MM) domain, while Phase 2 extends MDG to Production Planning (PP), Finance (FI), and Business Partner domains. This enterprise-wide framework establishes a single source of truth, ensuring accuracy, compliance, and informed decision making.

In Governance, Risk, and Compliance, Gatron upgraded to the Identity Access Governance (IAG) platform. IAG provides real-time risk analysis, Intelligent segregation of duties (SOD) Management, and secure provisioning across hybrid environments, ensuring stronger compliance and audit readiness.

On the integration side, Gatron transitioned from PI/PO to the SAP Integration Suite, a modern cloud-based platform that enables secure, flexible, and real-time connectivity across SAP, nonSAP, and partner systems. Its API management, event-driven architecture, and monitoring capabilities improve agility, collaboration, and scalability.

For analytics, Gatron replaced its traditional Data Warehouse with SAP Datasphere. This platform enables federated access to multiple data sources without duplication, ensuring realtime, business-ready data for planning, reporting, and advanced analytics. By laying the foundation for AI-driven insights, Datasphere enhances both operational efficiency and strategic foresight.

Beyond SAP, Gatron continues to evolve its IT infrastructure. Enhancements to the Network Operations Center (NOC), Security Operations Center (SOC), and datacenter have further strengthened resilience against emerging cyber threats while supporting scalability, agility, and high availability.

Alongside core systems, Gatron has embraced **Microsoft Office 365** to enhance workplace productivity and collaboration. The integration of **Microsoft Teams, SharePoint, and OneDrive** has streamlined communication, enabled secure document management, and facilitated realtime coordination across departments. These cloud-driven capabilities support mobility, scalability, and seamless teamwork, ensuring business continuity and operational efficiency.

To ensure uninterrupted access to cloud platforms, Gatron has strengthened its connectivity operations through a strategic partnership with Tier-1 provider Cybernet. This enables reliable, high-speed, and secure network connectivity, ensuring seamless performance of cloud-hosted applications and services. By leveraging Cybernet's robust infrastructure, Gatron maintains consistent uptime, optimized bandwidth, and smooth day-to-day operations for its business critical cloud products.

Looking ahead, Gatron aims to embed Artificial Intelligence (AI) and Machine Learning (ML) across its operations. The focus will include predictive analytics, intelligent automation, and sustainability-driven insights to elevate decision-making and operational performance. Initiatives such as AI-enabled demand forecasting, smart production scheduling, and intelligent customer engagement are planned, ensuring the company remains future-ready, efficient, and sustainable.

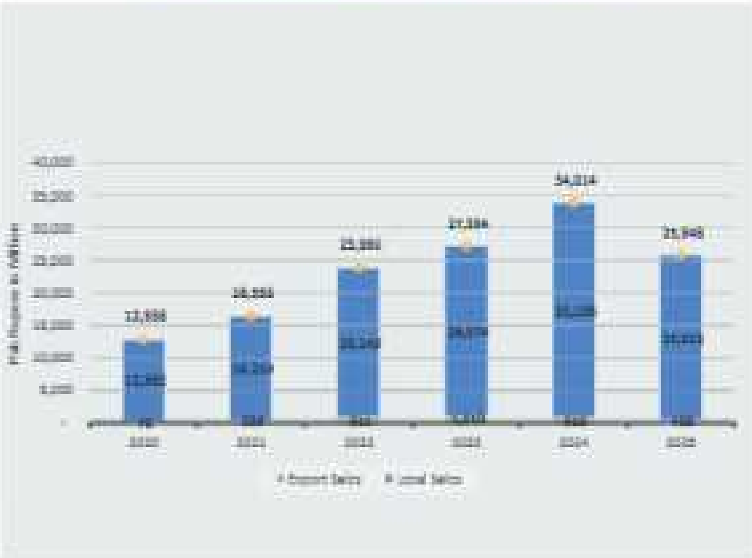
FINANCIAL HIGHLIGHTS

Particulars	2024	2023	2022	2021	2020	2019
Operating Results						
Pak Rupees in Thousands						
Sales	34,013,581	27,383,780	23,959,654	16,557,561	12,938,377	17,707,325
Gross Profit/(loss)	2,086,859	1,453,630	3,176,386	1,866,775	945,052	1,655,654
Operating Profit/(loss)	1,392,502	553,468	2,646,192	1,316,094	451,250	1,001,225
Profit/(loss) after taxation	-204,358	205,300	1,827,244	1,065,724	1,060,633	1,794,735
Percentage						
Dividend - Final	0.00	30.00	0.00	0.00	125.00	265.00
Financial Position						
Pak Rupees in Thousands						
Paid up Capital	1,087,290	767,290	383,645	383,645	383,645	383,645
Reserves & unappropriated profit	12,199,873	7,092,777	7,387,797	5,571,507	4,949,084	4,920,353
Property, Plant & Equipment	18,778,042	16,936,295	9,769,076	5,949,200	3,577,722	2,359,404
Current Assets	14,828,818	19,999,229	13,366,480	8,272,998	5,699,899	5,784,987
Current Liabilities	11,346,019	19,864,692	9,407,985	5,562,385	3,362,395	2,946,343
Net Current Assets	3,482,799	134,537	3,958,495	2,710,613	2,337,504	2,838,844
Long Term Liabilities	8,614,876	8,179,328	5,696,304	2,840,439	1,174,783	126,540
Deferred Liabilities	1,340,828	1,672,727	795,533	502,344	415,372	373,162
Financial Ratios & Percentages						
Percentages						
Gross Profit/(Loss) Ratio	6.14	5.31	13.26	11.27	7.30	9.35
Return on Capital Employed	5.99	9.62	20.86	16.05	25.53	39.03
Return on Equity	(1.54)	2.61	23.51	17.90	19.89	33.84
Number of Times						
Inventory Turnover	3.38	2.93	4.09	4.71	4.58	5.76
Debtors Turnover	9.08	6.60	6.64	6.46	6.88	13.33
Total Assets Turnover	0.94	0.89	1.24	1.32	1.36	2.18
Fixed Assets Turnover	1.90	2.05	3.05	3.44	4.36	8.43
Interest Cover	0.93	1.52	9.30	11.48	8.15	137.63
Ratio						
Debt-Equity	43 : 57	53 : 47	43 : 57	32 : 68	18 : 82	2 : 98
Current Ratio	1.31 : 1	1.01 : 1	1.42 : 1	1.48 : 1	1.70 : 1	1.96 : 1
Per Share Results and Returns						
Pak Rupees						
Break-up Value	122.20	102.44	202.54	155.23	139.00	138.25
Earnings per Share – Basic and diluted*	(2.36)	2.61	23.81	27.78	27.65	46.78
Dividend per Share	0.00	3.00	0.00	0.00	12.50	26.50
Percentages						
Dividend Yield	0.00	1.33	0.00	0.00	2.17	9.37
Dividend Pay Out	0.00	114.94	0.00	0.00	45.21	56.65
Number of Times						
Price Earning Ratio – Year end price*	(89.11)	84.35	17.51	17.11	20.80	6.04
Share Performance						
Pak Rupees						
Highest	299.00	489.99	450.00	619.99	575.12	360.00
Lowest	180.00	225.70	399.00	412.00	282.28	211.00
At year end	210.00	225.70	417.00	475.20	575.12	282.78

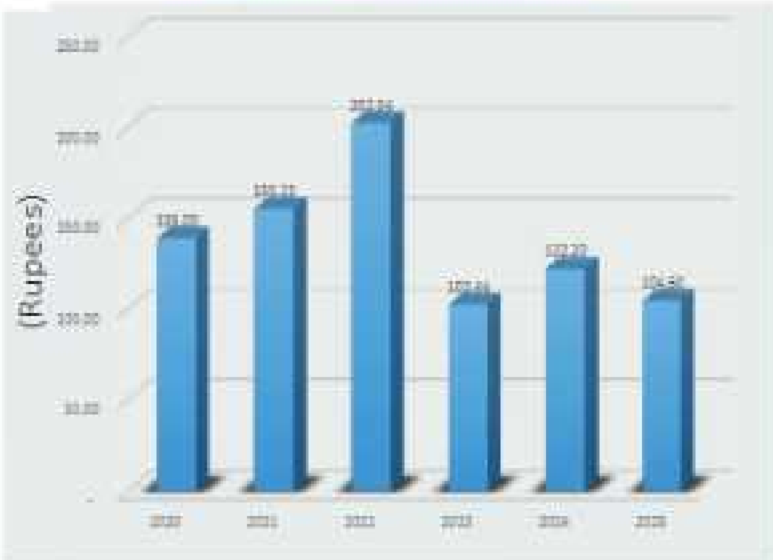
*Restated

GRAPHICAL PRESENTATION

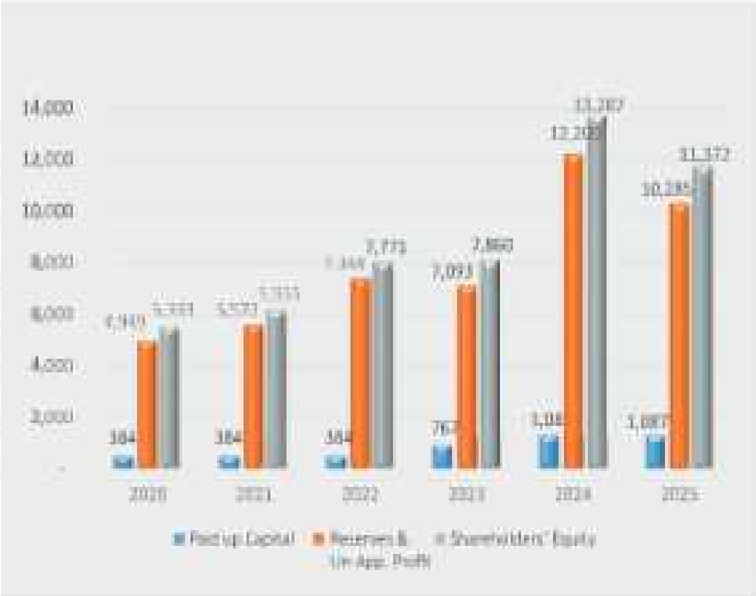
SALES



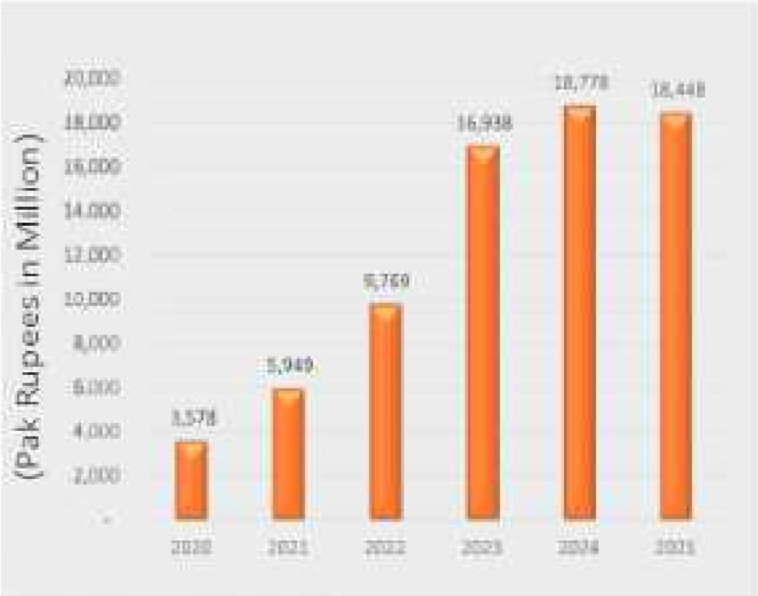
BREAKUP VALUE OF SHARES



SHAREHOLDER'S EQUITY



PROPERTY, PLANT AND EQUIPMENT



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CHARTERED ACCOUNTANTS

Independent Auditor's Review Report
To the members of Gatron (Industries) Limited

Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of **Gatron (Industries) Limited** ("the Company") for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Kreston Hyder Bhimji & Co
Chartered Accountants
Karachi
Date: October 06, 2025
UDIN: CR202510729JMzbwKgFN

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

Name of Company: Gatron (Industries) Limited

Year ended: June 30, 2025

The Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1.The total number of directors are 10 (Ten) as per the following:

a) Male: 9

b) Female: 1

2.The composition of Board is as follows:

Independent Directors	Mr. Talat Iqbal Mr. Muhammad Tufail Iqbal
Independent Director – Female	Ms. Huma Rafique
Non-Executive Directors	Mr. Abdul Razak Diwan Mr. Zakaria Bilwani Mr. Muhammad Iqbal Bilwani Mr. Saqib Haroon Bilwani Mr. Muhammad Altaf Bilwani
Executive Directors	Mr. Shabbir Diwan Mr. Muhammad Taufiq Bilwani

*(The independent Directors meet the criteria of independence under Section 166(2) of the Companies Act, 2017)

3.The Directors have confirmed that none of them are serving as a Director on more than seven listed companies, including this Company.

4.The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company, along with its supporting policies and procedures.

5.The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6.All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.

7.The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8.The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9.All the Directors have either obtained Certificate of Director's Training Program or are exempted from the requirement of Director's Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019.

10.The Board has approved appointment of Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11.Chief Financial Officer, and Chief Executive Officer duly endorsed the unconsolidated and consolidated financial statements before approval of the Board.

12.The Board has formed committees comprising of members given below:

a) Audit Committee:	Muhammad Tufail Iqbal - Chairman
	Muhammad Iqbal Bilwani
	Talat Iqbal
b) HR and Remuneration Committee:	Talat Iqbal - Chairman
	Muhammad Iqbal Bilwani
	Saqib Haroon Bilwani

13.The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14.The frequency of meetings of the committees were as per following:

a) Audit Committee:	Four (4) meetings were held during the year
b) HR and Remuneration Committee:	One (1) meeting held during the year

15.The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff who are conversant with the policies and procedures of the Company.

16.The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director

17.The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18.We confirm that all requirements of Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with. With respect to the compliance with Regulation 6, the Board has appointed three independent directors, and the fraction one-third number was not rounded up to one as the three independent directors elected had requisite competencies, skills, knowledge and experience to fulfil their obligations as per the requirements of the applicable laws and regulations and hence, appointment of fourth independent director was not warranted.

Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below:

S.no	Reg. no	Requirement	Explanation
1	10A	The Board may establish a dedicated sustainability committee to address sustainability risks and opportunities.	The Board is handling relevant responsibilities diligently. It is not deemed necessary to constitute a separate sustainability committee. Furthermore, with respect to anti-harassment policy and companies' diversity, equity and inclusion (DE&I) are taken care by the management of the Company with oversight by the relevant Board Audit Committee and also where needed the Board provides governance and oversight in relation to the companies initiatives over environmental social and governance(ESG) matters. Nevertheless, the Board will continue to evaluate the need for separate committee requirements as circumstances evolve.
2	29	The Board may constitute a separate committee, designated as the nomination committee,of such number and class of Directors, as it may deem appropriate in its circumstances.	The Board is currently handling the responsibilities typically assigned to a Nomination Committee directly at the Board level. Given this effective management, the establishment of a separate Nomination Committee is not deemed necessary at this time. The Board will continue to evaluate the need for such a committee as circumstances evolve.
3	30	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry almost out a review of the effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a risk management committee as risk management framework is effectively managed at Company's level by the executive committee which is headed by the CEO and the CEO apprises the Board accordingly.

4	35(1)	Disclosure of significant policies on websites.	All policies are effectively communicated to the relevant employees and directors. The Board may consider publishing these policies and their summaries on the Company website in the future.

SHABBIR DIWAN
CHIEF EXECUTIVE OFFICER

ABDUL RAZAK DIWAN
CHAIRMAN

October 4, 2025

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GATRON (INDUSTRIES) LIMITED

Report on the Audit of Un-Consolidated Financial Statements

Opinion

We have audited the annexed un-consolidated financial statements of **Gatron (Industries) Limited**, ("the Company") which comprise the un-consolidated statement of financial position as at June 30, 2025, 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 year then ended and notes to the un-consolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the un-consolidated statement of financial position, un-consolidated statement of profit or loss, the un-consolidated statement of comprehensive income, the un-consolidated statement of changes in equity and the un-consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the un-consolidated financial statements of the current year. These matters were addressed in the context of our audit of the un-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	**Recognition of Revenue** Revenue from sale of the Company's products was Rs. 26,328.04 million as disclosed in note 3.17 and 29. Revenue is recognized at point in time when performance obligations are satisfied by transferring control of promised goods to customer. Revenue being one of key performance indicator of the Company and there is inherit risk of material misstatement involved in revenue recognition has resulted in the revenue recognition being considered as a key audit matter.	Our audit procedures included the following: ➢ Assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➢ Obtained an understanding of management's internal controls over the revenue process and tested effectiveness of controls relevant to such process. ➢ Performed cut-off procedures on sample basis on revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, invoices and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period. ➢ Performed test of details by selecting sample of transactions for comparing with sales invoices, dispatch documents and other underlying records; and ➢ Performed other related procedures and evaluated the appropriateness of disclosures in the un-consolidated financial statements in accordance with the requirements of the accounting and reporting standards applicable in Pakistan.

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S. No.	Key audit matter(s)	How the matter was addressed in our audit
2	**Borrowings** The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 16,026.04 million, being 70.09% of total liabilities, as at reporting date. Given the significant level of borrowings, finance costs and gearing impact, the disclosure given by the management in un-consolidated financial statements and compliance with various loan covenants, this is considered to be a key audit matter. (refer notes 31.5, 19 and 25 to the un-consolidated financial statements).	Our audit procedures included the following: ➢ Reviewed loan agreements and facility letters on sample basis to ascertain the terms and conditions of repayment, rates of markup/profit used and disclosed by the management and ensured that the borrowings have been approved at appropriate level. ➢ Verified disbursement of loans and utilization on sample basis. Reviewed charge registration documents. ➢ Verified repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made. ➢ Checked the Company's compliance with the debt covenants on sample basis as outlined in the loan agreements. ➢ Performed analytical procedures, recalculations and other related procedures for verification of finance costs on sample basis; and ➢ Ensured that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the un-consolidated financial statements.

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Information Other than the un-consolidated Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the un-consolidated financial statements and our auditors' report thereon.

Our opinion on the un-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the un-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the un-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the un-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the un-consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of un-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the un-consolidated 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 un-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 un-consolidated financial statements.

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CHARTERED ACCOUNTANTS

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 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 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 un-consolidated financial statements, including the disclosures, and whether the un-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the un-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the un-consolidated statement of financial position, the un-consolidated statement of profit or loss, the un-consolidated statement of comprehensive income, the un-consolidated statement of changes in equity and the un-consolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Chartered Accountants
Karachi:
Dated: October 06, 2025
UDIN: AR202510729uOMCYSHyT

GATRON (INDUSTRIES) LIMITED
UN-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		(Rupees in Thousand)	
ASSETS			
Non - Current Assets			
Property, plant and equipment	4	18,448,334	18,778,042
Intangible asset	5	50,127	60,152
Long term investments	6	443,964	509,463
Long term loans	7	182,672	405,475
Long term deposits	8	6,936	6,936
		19,132,033	19,760,068
Current Assets			
Stores, spare parts and loose tools	9	2,098,667	1,990,321
Stock in trade	10	7,313,274	7,503,024
Trade debts	11	4,662,811	3,516,225
Loans and advances	12	572,899	460,483
Current portion of long term loans	13	18,874	35,584
Trade deposits and short term prepayments	14	9,362	71,525
Other receivables	15	309,016	884,648
Advance income tax		-	70,000
Cash and bank balances	16	119,941	297,008
		15,104,844	14,828,818
TOTAL ASSETS		34,236,877	34,588,886
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	1,087,290	1,087,290
Reserves	18	10,285,299	12,199,873
		11,372,589	13,287,163
LIABILITIES			
Non - Current Liabilities			
Long term financing	19	7,628,310	8,507,127
Lease liability against right of use assets	20	71,666	107,749
Deferred liabilities and income	21	1,225,486	1,340,828
		8,925,462	9,955,704
Current Liabilities			
Trade and other payables	22	4,550,612	5,522,641
Unclaimed dividend		853	8,219
Unpaid dividend	23	20,801	20,801
Accrued mark-up/ profit	24	480,103	543,012
Short term borrowings	25	6,909,208	3,579,563
Current portion of long term financing	19	1,488,520	1,196,089
Current portion of lease liability against right of use assets	20	23,322	15,020
Current portion of deferred liabilities and income	26	248,026	254,090
Provision for levies and income tax less payments	27	217,381	206,584
		13,938,826	11,346,019
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		34,236,877	34,588,886

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

SHABBIR DIWAN	MUHAMMAD IQBAL BILWANI	MUHAMMAD NAEEM
Chief Executive Officer	Director	Chief Financial Officer

Buying/Selling closing conversion rates were 1 US$ = Rs.283.60/284.10, 1 Euro € = Rs.332.29/332.87 and 1 Pound £ = Rs.388.28/388.97

GATRON (INDUSTRIES) LIMITED

UN-CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	(Rupees in Thousand) 2025	2024
Sales	29	**26,328,040**	34,013,581
Cost of sales	30	**25,442,226**	31,926,722
Gross profit		**885,814**	2,086,859
Distribution and selling costs	31	**446,117**	301,996
Administrative expenses	32	**486,070**	561,347
Other expenses	33	**166,788**	120,664
		1,098,975	984,007
		(213,161)	1,102,852
Other income	34	**111,710**	289,650
Operating (loss)/profit		**(101,451)**	1,392,502
Finance cost	35	**1,539,267**	1,494,587
		(1,640,718)	(102,085)
Investment income - Dividend	36	**-**	8,538
Loss before levies and income tax		**(1,640,718)**	(93,547)
Levies	37	**329,842**	424,411
Loss before income tax		**(1,970,560)**	(517,958)
Income tax - Prior		**563**	(94,553)
- Deferred		**-**	(219,047)
	38	**563**	(313,600)
Loss for the year		**(1,971,123)**	(204,358)
Loss per share - Basic and diluted (Rupees)	39	**(18.13)**	(2.36)

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

SHABBIR DIWAN	MUHAMMAD IQBAL BILWANI	MUHAMMAD NAEEM
Chief Executive Officer	Director	Chief Financial Officer

GATRON (INDUSTRIES) LIMITED
UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	(Rupees in Thousand) 2025	2024
Loss for the year		**(1,971,123)**	(204,358)
Other comprehensive income			
Items that will never be reclassified to statement of profit or loss			
Gain on remeasurement of defined benefit plan having nil tax impact	**21.2**	**56,549**	38,496
Total comprehensive loss		**(1,914,574)**	(165,862)

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

SHABBIR DIWAN	MUHAMMAD IQBAL BILWANI	MUHAMMAD NAEEM
Chief Executive Officer	Director	Chief Financial Officer

GATRON (INDUSTRIES) LIMITED
UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	(Rupees in Thousand)				
		Reserves			
	Share capital	Capital reserves (note 18)	(Accumulated loss)/ Unappropriated profit	Sub Total	Total
Balances as at July 01, 2023	767,290	6,383,645	709,132	7,092,777	7,860,067
Total comprehensive loss for the year ended June 30, 2024					
Loss for the year	-	-	(204,358)	(204,358)	(204,358)
Other comprehensive income	-	-	38,496	38,496	38,496
	-	-	(165,862)	(165,862)	(165,862)
Transactions with owners					
Subscription of shares against right issue @41.7052% at a premium of Rs.165 per share	320,000	5,280,000	-	5,280,000	5,600,000
Shares issue cost	-	(7,042)	-	(7,042)	(7,042)
Balances as at June 30, 2024	1,087,290	11,656,603	543,270	12,199,873	13,287,163
Total comprehensive loss for the year ended June 30, 2025					
Loss for the year	-	-	(1,971,123)	(1,971,123)	(1,971,123)
Other comprehensive income	-	-	56,549	56,549	56,549
	-	-	(1,914,574)	(1,914,574)	(1,914,574)
Balances as at June 30, 2025	**1,087,290**	**11,656,603**	**(1,371,304)**	**10,285,299**	**11,372,589**

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

SHABBIR DIWAN	MUHAMMAD IQBAL BILWANI	MUHAMMAD NAEEM
Chief Executive Officer	Director	Chief Financial Officer

GATRON (INDUSTRIES) LIMITED

UN-CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	(Rupees in Thousand) 2025	2024
Cash Flows (towards)/from Operating Activities			
Loss before levies and income tax		(1,640,718)	(93,547)
Adjustments for non cash income & expenses:			
Depreciation on property, plant and equipment	4.2	1,516,800	863,848
Depreciation on right of use assets	4.6.1	24,639	23,720
Amortization of intangible asset	5	10,025	10,025
Provision for defined benefit plan	21.2	143,848	130,509
Gain on disposal of property, plant and equipment	34	(23,758)	(22,088)
Impairment in long term investments	33	53,871	38,357
Impairment of allowance for ECL-net	11.5	45,761	52,641
Impairment allowance for slow moving stores, spare parts and loose tools-net	9.1	15,220	21,034
Amortization of interest free long term loan to subsidiary company	34	(49,441)	(41,722)
Remeasurement gain on discounting of provision for GIDC	34	(1,173)	(12,664)
Investment income - Dividend	36	-	(8,538)
Finance costs	35	1,539,267	1,494,587
		3,275,059	2,549,709
		1,634,341	2,456,162
(Increase)/decrease in current assets:			
Stores, spare parts and loose tools		(123,566)	(431,887)
Stock in trade		189,750	3,883,715
Trade debts		(1,192,347)	406,923
Loans and advances		(112,416)	(164,969)
Trade deposits and short term prepayments		62,163	317,543
Other receivables		575,632	961,742
		(600,784)	4,973,067
Decrease in trade and other payables		(970,832)	(3,699,662)
Cash flows from operations		62,725	3,729,567
Receipts of/(Payments for):			
Long term loans		300,582	(307,915)
Long term deposits		-	(2,017)
Defined benefit plan	21.2	(41,473)	(35,913)
Finance costs		(1,587,810)	(1,811,476)
Income tax		(247,633)	(354,418)
Group taxation impact		(1,975)	(964)
Net cash flows (towards)/from operating activities		(1,515,584)	1,216,864
Cash flows (towards)/from Investing Activities			
Additions in property, plant and equipment		(1,243,955)	(2,602,631)
Proceeds from disposal of property, plant and equipment	4.3	48,503	44,749
Long term investment made		-	(200)
Dividend received	36	-	8,538
Net cash flows towards investing activities		(1,195,452)	(2,549,544)
Cash flows (towards)/from Financing Activities			
Proceed against issue of share capital net of issuance cost		-	5,592,958
Long term financing - proceeds received		286,053	1,420,696
Long term financing - repayments		(1,039,695)	(780,620)
Payments for lease liability against right of use assets		(34,668)	(32,271)
Short term borrowings - net (fixed term instruments)		142,609	(635,175)
Dividend paid		(7,366)	(12,836)
Net cash flows (towards)/from financing activities		(653,067)	5,552,752
Net (decrease)/increase in cash and cash equivalents		(3,364,103)	4,220,072
Cash and cash equivalents at the beginning of the year		(3,117,730)	(7,337,802)
Cash and cash equivalents at the end of the year	40	(6,481,833)	(3,117,730)

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

SHABBIR DIWAN	MUHAMMAD IQBAL BILWANI	MUHAMMAD NAEEM
Chief Executive Officer	Director	Chief Financial Officer

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, Liaison office of the Company is situated at 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi and 2nd floor, Bahria Complex-I, M.T. Khan Road, 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 and commence its operations from January 2025.

2 BASIS OF PREPARATION

2.1 Basis of measurement

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

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

2.2 Separate financial statements

These 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.

2.3 Functional and presentation currency

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

2.4 Statement of Compliance

These 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.

2.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2025

2.5.1 Standards, interpretations and amendments to published approved accounting standards that became effective during the year

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 un-consolidated financial statements exept for additional disclosures required by amendment in IAS-1 relating to classification of non-current liabilities (refer note 41.3).

2.5.2 **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 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

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.

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
IFRS - S1	General requirements for Disclosure of Sustainability-related Financial Information
IFRS - S2	Climate-related Disclosure
IFRIC - 12	Service Concession Arrangement

2.6 **Critical Accounting Estimates and Judgments**

The preparation of 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.

Information about estimates and judgements made in applying accounting policies that have the significant effects on the amounts recognized in un-consolidated financial statements are as follows:

2.6.1 **Property, plant and equipment and Intangible asset**

The Company's management reviews the estimated useful lives and related depreciation/amortization charge for its property, plant and equipment and intangible asset 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, if any.

2.6.2 **Impairment of financial assets**

The Company reviews the recoverability of its financial assets i.e. trade debts, loans, deposits, short term investments, and other receivables to assess amount of expected credit loss required there against on annual basis. While determining impairment allowance, the Company considers financial health, market and economic information, aging of receivables, credit worthiness, credit rating, lifetime expected losses, past records and business relationship.

2.6.3 **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.

2.6.4 **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, obsolescence and expected use, 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.

2.6.5 **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.

2.6.6 **Levies**

The Company takes into account the current income tax law, legislations and decisions taken by the taxation authorities for determination of levies. These include determining the specific obligating event that triggers levy recognition based on the relevant legislation, estimating the amount payable by considering applicable rates, and deciding the appropriate timing for recognizing the levy liability. These estimates and judgements are periodically reviewed and updated as necessary.

2.6.7 **Income tax**

In making the estimate for income tax 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.

2.6.8 **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.

2.6.9 **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).

2.6.10 **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.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property, plant and equipment

Initial Recognition:

The cost of an item is recognized as an asset if and only the future economic benefits associated with the items will flow to the Company and cost of the items can be measured reliably.

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.

When parts of an item of property, plant & equipment have different useful life, they are accounted as separate items (major component) of property, plant and equipment.

Subsequent costs:

Subsequent costs (including those on account of major replacement of significant part/item) 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 normal repair and maintenance incurred are recognized in un-consolidated statement of profit or loss.

Depreciation:

Depreciation is charged on diminishing balance method except overhauling (major parts), which are depreciated at straight line 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.

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 recognized in the un-consolidated 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 of 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 Asset

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 asset is 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 unconsolidated 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 unconsolidated 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 2.6.4. 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.

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 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 June 30, 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

Government scheme are 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

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.

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 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.

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.

	Note	(Rupees in Thousand) 2025	2024
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	**4.1**	**17,734,041**	13,803,433
Capital work in progress	**4.5**	**637,586**	4,848,559
Right of use assets	**4.6**	**76,707**	108,825
Advance for purchase of land	**28.3.1**	**-**	17,225
		18,448,334	18,778,042

4.1 Operating fixed assets

Particulars	Land		Building		Office premises	Plant and machinery	Furniture and fixtures	Factory equipment	Office equipment	Motor vehicles	TOTAL
	(Rupees in Thousand)										
	Freehold	Leasehold	On freehold land	On leasehold land							
Net carrying value											
Year ended June 30, 2025											
Net book value (NBV) as at 01st 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-Direct	169,525	-	-	-	-	12,516	-	5,299	1,009	57,041	245,390
Transfer from capital work in progress (note 4.5)	-	-	283,141	406,496	-	4,537,126	-	-	-	-	5,226,763
Less: Disposal at NBV (note 4.3)	-	-	-	-	60	3,259	-	-	-	21,426	24,745
Less: Depreciation (note 4.2)	-	-	16,552	129,263	70	1,299,420	412	11,962	1,881	57,240	1,516,800
Net book value as at 30th June, 2025	355,593	45,574	266,940	1,535,993	596	15,213,244	1,646	49,746	6,923	257,786	17,734,041
Gross carrying value											
At June 30, 2025											
Cost	355,593	45,574	297,389	2,325,720	3,571	23,739,485	5,316	144,129	23,468	498,171	27,438,416
Less: Accumulated depreciation	-	-	30,449	789,727	2,975	8,526,241	3,670	94,383	16,545	240,385	9,704,375
Net book value	355,593	45,574	266,940	1,535,993	596	15,213,244	1,646	49,746	6,923	257,786	17,734,041
Depreciation rate - % per annum	-	-	10	10	10	10 to 30	20	20	20 to 30	20	
Net carrying value											
Year ended June 30, 2024											
Net book value (NBV) as at 01st 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-Direct	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 (note 4.3)	-	-	-	-	-	-	-	-	2,333	20,328	22,661
Less: Depreciation (note 4.2)	-	-	39	94,795	81	705,373	515	11,188	2,659	49,198	863,848
Net book value as at 30th June, 2024	186,068	45,574	351	1,258,760	726	11,966,281	2,058	56,409	7,795	279,411	13,803,433
Gross carrying value											
At June 30, 2024											
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
Net book value	186,068	45,574	351	1,258,760	726	11,966,281	2,058	56,409	7,795	279,411	13,803,433
Depreciation rate - % per annum	-	-	10	10	10	10 to 30	20	20	20 to 30	20	

4.2 Depreciation for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in Thousand)	
Cost of sales	30	1,505,820	850,259
Distribution and selling costs	31	2,749	2,151
Administrative expenses	32	8,231	11,438
		1,516,800	863,848

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

(Rupees in Thousand)

Description	Cost	Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyers
Office Premises						
Items having book value upto Rs.500 thousand each	350	60	3,000	2,940	Various	Various
Sub Total	**350**	**60**	**3,000**	**2,940**		
PLANT AND MACHINERY						
TRANSFORMER 3000KVA	3,760	853	1,938	1,085	Negotiation	**M/s. Gencom Spares & Service** Sector-6F, Mehran Town Korangi Industrial Area, Karachi.
COOLING TOWER	34,709	1,737	3,184	1,447	Negotiation	**M/s. Ismail Kabeer Ahmed** Jahangirabad, Nazimabad, Karachi.
Items having book value upto Rs.500 thousand each	32,489	669	5,509	4,840	Various	Various
Sub Total	**70,958**	**3,259**	**10,631**	**7,372**		
MOTOR VEHICLES						
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 Jallawala** 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
TOYOTA ALTIS BQR-137	3,155	932	1,735	803	Company Policy	**Mr. Muhammad Naeem** Employee of the company
SUZUKI WAGON-R VXL BRF-619	1,625	519	1,620	1,101	Company Policy	**Mr. Jahangir** Employee of the company
CAR CHANGAN ALSVIN BZF-377	3,849	2,833	3,650	817	Company Policy	**Mr. Khurram Nawab** Employee of the company
Items having book value upto Rs.500 thousand each	16,373	3,562	11,062	7,500	Various	Various
Sub Total	**45,176**	**21,426**	**34,872**	**13,446**		
Total - 2025	**116,484**	**24,745**	**48,503**	**23,758**		
Total - 2024	63,744	22,661	44,749	22,088		

4.4 Particulars of immovable properties owned by the Company are as follows :

Particulars	Location	Approximate Area
Land		
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
Building		
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	163,800 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
Office Premises	Office#207-212, Gul Tower, I.I Chundrigar Road, Karachi	225 Sq. Meters
Office Premises	Room#32, Ahmed Complex, Jinnah Road, Quetta	30 Sq. Meters
Office Premises	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 June 30, 2025
Factory building under construction	673,078	16,559	(689,637)	-
Plant and machinery under erection	4,175,481	999,231	(4,537,126)	637,586
	4,848,559	**1,015,790**	**(5,226,763)**	**637,586**
	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
	10,904,098	2,234,900	(8,290,439)	4,848,559

4.5.1 It includes borrowing cost of Rs.1.948 million (2024: Rs.388.970 million) and net of with amortization of government scheme amounting to Rs.Nil (2024: Rs.138.483 million). Effective rate of borrowing cost ranges between 11.21% to 12.14% (2024: 3% to 22.80%).

		Note	(Rupees in Thousand) 2025	2024
4.6	**Right of use assets**			
	Rented premises:			
	Balance as at start of the year		**108,825**	-
	Additions during the year		**-**	132,545
	Effect of lease modification during the year		**(7,479)**	-
	Depreciation for the year	4.6.1	**(24,639)**	(23,720)
	Balance as at end of the year		**76,707**	108,825
4.6.1	**Allocation of depreciation**			
	Distribution and selling costs	31	**8,368**	5,579
	Administrative expenses	32	**16,271**	18,141
			24,639	23,720
5	**INTANGIBLE ASSET**			
	Software & licences			
	Balance as at start of the year		**60,152**	70,177
	Amortization during the year	32	**(10,025)**	(10,025)
	Balance as at end of the year		**50,127**	60,152
	Useful life		**8 Years**	8 Years

	Note	(Rupees in Thousand) 2025	2024
6 LONG TERM INVESTMENTS			
Wholly Owned Subsidiary Companies-Unquoted			
22.575 million (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 (2024: 55,000) shares in Messrs. Global Synthetics Limited	6.2	550	550
Impairment loss	6.3	(449)	(400)
		101	150
25 million (2024: 25 million) shares in Messrs. G-Pac Energy (Private) Limited	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	210,288	221,916
Impairment loss	6.6	(166,925)	(113,103)
		293,363	358,813
		443,964	509,463

6.1 The value of investment on the basis of the net assets, as reported in its audited financial statements as at June 30, 2025 amounted to Rs.1,634.244 million (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 June 30, 2025 amounted to Rs.101 thousand (2024: Rs.150 thousand).

	Note	2025	2024
6.3 Impairment loss			
Balance as at start of the year		400	349
Charge for the year	33	49	51
Balance as at end of the year		449	400

6.4 The value of the investment on the basis of the net assets, as reported in its audited financial statements as at June 30, 2025 amounted to Rs.293.363 million (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.

	Note	2025	2024
6.6 Impairment loss			
Balance as at start of the year		113,103	74,797
Charge for the year	33	53,822	38,306
Balance as at end of the year		166,925	113,103

	Note	2025	2024
7 LONG TERM LOANS - Considered good			
Unsecured - Interest free			
To subsidiary company - M/s. G-Pac Energy (Private) Limited			
Balance at start of the year		545,409	244,209
Disbursement during the year		25,100	364,750
Receipt during the year		(325,100)	(63,550)
	7.1	245,409	545,409
Present value adjustment taken to long term investments	6.5	(210,288)	(221,916)
Amortization of long term loan	7.2	144,528	95,087
		179,649	418,580
Current portion of long term loan to subsidiary company	13	-	(22,500)
		179,649	396,080
Secured - Interest free			
To employees other than Chief Executive & Directors	7.3 & 7.4	21,897	22,479
Amount due in twelve months shown under current assets	13	(18,874)	(13,084)
Recoverable within three years		3,023	9,395
		182,672	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.

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 prevailing risk free rate. The amount of difference between loan and its present value shall be amortized 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.

		Note	2025 (Rupees in Thousand)	2024
8	**LONG TERM DEPOSITS**			
	Security deposits for utilities and others		6,936	6,936
9	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	In hand:			
	Stores		1,070,529	920,101
	Spare parts		1,152,143	1,176,466
	Loose tools		6,726	6,822
			2,229,398	2,103,389
	Impairment allowance for slow moving stores, spare parts and loose tools	9.1	(133,131)	(117,911)
			2,096,267	1,985,478
	In transit		2,400	4,843
			2,098,667	1,990,321
9.1	**Impairment allowance for slow moving stores, spare parts and loose tools**			
	Balance as at start of the year		117,911	96,877
	Impairment allowance for the year	33	15,220	21,034
	Balance as at end of the year		133,131	117,911
10	**STOCK IN TRADE**			
	Raw and packing material		1,097,642	2,255,082
	Raw and packing material in transit		327,624	4,122
	Goods in process		1,993,722	1,392,301
	Unfinished goods held for sale		1,206	32,744
	Finished goods	10.1	3,893,080	3,818,775
			7,313,274	7,503,024

10.1 These include items costing Rs.78.767 million (2024: Rs.90.368 million) valued at net realizable value of Rs.60.889 million (2024: Rs.74.586 million).

		Note	2025	2024
11	**TRADE DEBTS**			
	Considered good			
	Secured - Export	11.1, 11.2 & 11.3	60,777	38,146
	Unsecured - local	11.4	4,602,034	3,478,079
			4,662,811	3,516,225
	Allowance for ECL - local			
	Unsecured - local		216,581	170,820
	Allowance for ECL - local	11.5	(216,581)	(170,820)
			-	-
			4,662,811	3,516,225

11.1 These represent balances of US$ 0.214 million (2024: US$ 0.137 million).

11.2 These include Rs.60.390 million (2024: Rs.0.415 million) due from a related party Messrs. G-Pac Corporation and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.170.030 million (2024: Rs.0.415 million).

11.3 These are secured against letters of credit issued by banks in favour of the Company.

11.4 These includes related parties balances are as follows:

a) These include Rs.940.978 million (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 year was Rs.940.978 million (2024: Rs.923.309 million).

b) These include Rs.Nil (2024: Rs.15.431 million) due from a related party Messrs. Krystalite Products (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.15.431 million (2024: Rs.117.848 million).

	Note	(Rupees in Thousand) 2025	2024
Not past due		-	8
Past due 31-90 days		-	15,328
Above 90 days		-	95
		-	15,431

c) These include Rs.Nil (2024: Rs.Nil) due from a related party Messrs. Mushtaq & Company (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.Nil (2024: Rs.1.296 million).

d) These include Rs.294.067 million (2024: Rs.180.901 million) due from a related party Messrs. Mustaqim Dyeing &Printing Ind (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.312.023 million (2024: Rs.257.035 million).

	Note	2025	2024
Not past due		**13,870**	12,216
Past due 1-30 days		**15,036**	41,617
Past due 31-90 days		**27,251**	71,599
Past due 91-180 days		**44,657**	52,214
Past due 180 days		**193,253**	3,255
		294,067	180,901
11.5 Allowance for ECL - local			
Balance as at start of the year		**170,820**	118,179
Charge for the year		**134,351**	162,872
Reversals since recovered		**(88,590)**	(110,231)
Charge for the year - net	33	**45,761**	52,641
Balance as at end of the year		**216,581**	170,820
12 LOANS AND ADVANCES - Considered good			
Secured			
Advances to employees	12.1	**3,506**	4,232
Unsecured			
Advances:			
to suppliers and contractors	12.2 & 12.3	**564,562**	440,180
for imports		**4,831**	16,071
		569,393	456,251
		572,899	460,483

12.1 These represent advances against monthly salary under the terms of employment.

12.2 These include advances against purchase of vehicles Rs.5.665 million (2024: Rs.4.216 million).

12.3 These include Rs.Nil (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 year was Rs.300 million (2024: Rs.225 million).

13 CURRENT PORTION OF LONG TERM LOANS

	Note	2025	2024
Current portion of long term loan to subsidiary company	7	-	22,500
Loan recoverable in twelve months from employees	7	**18,874**	13,084
		18,874	35,584

		Note	(Rupees in Thousand) 2025	2024
14	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
	Margins held by banks	14.1	8,265	26,908
	Security deposits		300	39,999
	Prepayments		797	4,618
			9,362	71,525

14.1 This represents margin held by bank against Letters of Credit.

		Note	2025	2024
15	OTHER RECEIVABLES - Considered good			
	Receivable from suppliers	15.1	118,401	130,810
	Claims receivable from suppliers		7,531	7,357
	Sales tax		99,111	628,137
	Partial alleged sales tax demand paid	28.1.4, 28.1.15 & 28.1.17	30,472	30,472
	Partial alleged income tax demand paid	28.1.12 & 28.1.19	43,169	43,169
	Others	15.2 & 15.3	10,332	44,703
			309,016	884,648

15.1 These includes balances receivable:

a) These include Rs.11.445 million (2024: Rs.11.545 million) receivable from a related party Messrs. Lotte Chemical Pakistan Limited on account of price settlement and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.24.918 million (2024: Rs.11.545 million).

b) These includes balances receivable in foreign currency of US$ 0.357 million & Euro:0.017 million (2024: US$ 0.429 million

15.2 These includes related parties balances are as follows:

a) These include Rs.5.245 million (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 year end. The maximum aggregate amount due at any month end during the year was Rs.8.260 million (2024: Rs.21.857 million)

b) These include Rs.3.000 million (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 year end. The maximum aggregate amount due at any month end during the year was Rs.3.000 million (2024: Rs.10 thousand).

c) These include Rs.Nil (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 year end. The maximum aggregate amount due at any month end during the year was Rs.175.499 million (2024 Rs.175.340 million).

d) These include Rs.0.011 million (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 year end. The maximum aggregate amount due at any month end during the year was Rs.2.459 million (2024: Rs.2.784 million).

e) These include Rs.Nil (2024: Rs.Nil) receivable from a related party Messrs. Gani & Tayub (Private) Limited and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.Nil (2024: Rs.1.126 million).

f) These include Rs.0.116 million (2024: Rs.0.050 million) receivable from a related party Messrs. Nova Mobility (Private) Limited and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.0.150 million (2024: Rs.0.050 million).

15.3 These include Rs.Nil (2024: Rs.10.886 million) receivable from Custom Authority against excess custom duty paid during the year.

		Note	2025	2024
16	CASH AND BANK BALANCES			
	Cash in hand		2,675	3,434
	Cash at banks			
	In current accounts : Local currency		78,690	87,663
	In saving accounts : Local currency	16.1	1,711	1,574
	In current accounts : Foreign currency	16.2	36,865	204,337
		16.3	117,266	293,574
			119,941	297,008

16.1 These include security deposits received from contractors Rs.1.605 million (2024 Rs.1.535 million) refer note 22.7. These carries profit ranging from 5.00% to 19.26%.

16.2 These represent balances of US$ 129,252.57 and Euro € 629.98 (2024: US$ 733,557.41 and Euro € 629.98).

16.3 Balance in bank accounts includes an amount of Rs.55.677 million (2024: Rs.158.477 million) kept with Shariah compliant banks.

17 SHARE CAPITAL

(Number of Shares) 2025	2024		Note	(Rupees in Thousand) 2025	2024
17.1 Authorized capital					
130,000,000	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		**621,361**	621,361
46,592,880	46,592,880	Ordinary shares of Rs.10 each allotted as fully paid bonus shares		**465,929**	465,929
108,728,960	108,728,960			**1,087,290**	1,087,290

17.2.1 These include 3,240,774 (2024: 3,240,774) shares held by a related party, Messrs. Gani & Tayub (Private) Limited, 31,895,139 (2024: Nil) shares held by associated companies Messrs. Novatex Limited and Nil (2024: 31,895,139) shares held by Messrs. Nova Frontiers Limited.

17.3 Movement in number of shares

	(Number of shares) 2025	2024
Opening balance	**108,728,960**	76,728,960
Right shares issued during the year	-	32,000,000
Closing balance	**108,728,960**	108,728,960

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

18 RESERVES

These includes Capital Reserves as follows:

	Note	(Rupees in Thousand) 2025	2024
Share premium	18.1	**5,656,603**	5,656,603
Capital expenditure and BMR	18.2	**6,000,000**	6,000,000
Capital reserves		**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 BMR to more accurately reflect the nature of these reserves.

19 LONG TERM FINANCING - Secured

from banking companies Under Shariah compliant

	Note	2025	2024
Meezan Bank Limited	19.1	**1,568,687**	1,876,836
Dubai Islamic Bank Pakistan Limited	19.2	**46,608**	54,815
United Bank Limited	19.3	**1,422,957**	1,353,117
Bank Al-Falah Limited	19.4	**792,860**	894,258
Meezan Bank Limited	19.5	**1,137,056**	1,348,376
Habib Metropolitan Bank Limited	19.6	**78,684**	80,006
Faysal Bank Limited	19.7	**154,207**	178,018
Faysal Bank Limited	19.8	**981,001**	1,123,815
Habib Bank Limited	19.9	**2,222,623**	2,116,194
Bank Al-Habib Limited	19.10	**116,188**	120,031
First Habib Modaraba	19.11	**333,630**	430,470
Soneri Bank Limited	19.12	**31,852**	27,280
Bank Al-Habib Limited	19.13	**90,000**	100,000
MCB Islamic Bank Limited	19.14	**140,477**	-
		9,116,830	9,703,216
Current maturity shown under current liabilities		**(1,488,520)**	(1,196,089)
		7,628,310	8,507,127

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 (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

	(Rupees in Thousand)	
	2025	2024
Balance as at start of the year	**1,876,836**	2,184,985
Repayments during the year	**(308,149)**	(308,149)
Balance as at end of the year	**1,568,687**	1,876,836

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 (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. These loans are secured against the hypothecation charge over specific plant and machinery (solar equipments).

	2025	2024
Balance as at start of the year	**54,815**	67,250
Repayments during the year	**(8,207)**	(12,435)
Balance as at end of the year	**46,608**	54,815

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 (2024: Rs.2,200 million) having present value of Rs.1,422.957 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

	2025	2024
Balance as at start of the year	**1,353,117**	1,396,382
Amortization of government scheme	**129,360**	115,838
Repayments during the year	**(59,520)**	(159,103)
Balance as at end of the year	**1,422,957**	1,353,117

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 (2024: Rs.1,000 million) having present value of Rs.792.860 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

	2025	2024
Balance as at start of the year	**894,258**	905,805
Amortization of government scheme	**16,140**	15,609
Repayments during the year	**(117,538)**	(27,156)
Balance as at end of the year	**792,860**	894,258

19.5 This represents Diminishing Musharakah amounting to Rs.1,900 million out of which Rs.1,554.482 million (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%. These loans are secured by way of specific hypothecation charge over plant and machinery.

	2025	2024
Balance as at start of the year	**1,348,376**	1,554,482
Repayments during the year	**(211,320)**	(206,106)
Balance as at end of the year	**1,137,056**	1,348,376

19.6 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.120 million out of which Rs.119.904 million (2024: Rs.119.904 million) having present value of Rs.78.684 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

	(Rupees in Thousand)	
	2025	2024
Balance as at start of the year	**80,006**	76,165
Amortization of government scheme	**6,849**	6,068
Repayments during the year	**(8,171)**	(2,227)
Balance as at end of the year	**78,684**	80,006

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 (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. These loans are secured against the specific hypothecation charge over plant and machinery (solar equipments).

Balance as at start of the year	**178,018**	198,039
Repayments during the year	**(23,811)**	(20,021)
Balance as at end of the year	**154,207**	178,018

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 (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**1,123,815**	1,142,508
Repayments during the year	**(142,814)**	(18,693)
Balance as at end of the year	**981,001**	1,123,815

19.9 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.3,000 million out of which Rs.2,255.522 million (2024: Rs.2,116.194 million) obtained during June 2022 to March 2025 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 March 2035 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.2,230.085 million under ILTFF Scheme, therefore bank is charging profit at 3 months KIBOR+0.25% on those disbursements. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**2,116,194**	1,279,978
Obtained during the year	**139,328**	836,216
Repayments during the year	**(32,899)**	-
Balance as at end of the year	**2,222,623**	2,116,194

19.10 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.200 million out of which Rs.200 million (2024: Rs.200 million) having present value of Rs.116.188 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**120,031**	106,279
Amortization of government scheme	**14,907**	13,752
Repayments during the year	**(18,750)**	-
Balance as at end of the year	**116,188**	120,031

19.11 This represents Diminishing Musharakah amounting to Rs.508 million out of which Rs.457.200 million (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%. These loans are secured by way of specific hypothecation charge over plant and machinery.

Balance as at start of the year	**430,470**	-
Loan obtained during the year	**-**	457,200
Repayments during the year	**(96,840)**	(26,730)
Balance as at end of the year	**333,630**	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 (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. These loans are secured against the specific hypothecation charge over plant and machinery (solar equipments).

	(Rupees in Thousand)	
	2025	2024
Balance as at start of the year	27,280	-
Loan obtained during the year	6,248	27,280
Repayments during the year	(1,676)	-
Balance as at end of the year	31,852	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 (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. These loans are secured against the specific hypothecation charge over plant and machinery (solar equipments).

	2025	2024
Balance as at start of the year	100,000	-
Loan obtained during the year	-	100,000
Repayments during the year	(10,000)	-
Balance as at end of the year	90,000	100,000

19.14 This represents Diminishing Musharakah amounting to Rs.300 million out of which Rs.140.477 million (2024: Rs.Nil) obtained during April 2025 to June 2025 for purchase of plant and machinery (solar equipment). Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during April 2035 to June 2035 on their respective maturities. The applicable rate of profit is 6 months KIBOR+0.05%. These loans are secured by way of specific hypothecation charge over plant and machinery.

	2025	2024
Loan obtained during the year	140,477	-
Balance as at end of the year	140,477	-

20 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

	2025	2024
Balance as at start of the year	122,769	-
Additions during the year	-	132,545
Effect of lease modification during the year	(7,479)	-
Accretion of interest	14,366	22,495
Payment of lease liabilities	(34,668)	(32,271)
	94,988	122,769
Current maturity shown under current liabilities	(23,322)	(15,020)
Balance as at end of the year	71,666	107,749

	(Rupees in Thousand)			
	2025		2024	
	Minimum Lease Payments	Present Value of Lease Payments	Minimum Lease Payments	Present Value of Lease Payments
Lease liabilities are payable as follows:				
Within one year	36,994	23,322	38,263	15,020
Later than one year and not later than five years	85,740	71,666	143,366	107,749
Total minimum lease payments	122,734	94,988	181,629	122,769
Less: Financial charges allocated to future periods	(27,746)	-	(58,860)	-
Present value of minimum lease payments	94,988	94,988	122,769	122,769
Less: Current portion of lease liabilities	(23,322)	(23,322)	(15,020)	(15,020)
	71,666	71,666	107,749	107,749

		Note	(Rupees in Thousand) 2025	2024
21	**DEFERRED LIABILITIES AND INCOME**			
	Deferred Liabilities			
	Deferred tax - net	21.1	-	-
	Defined benefit plan	21.2	669,903	624,077
	Provision for Gas Infrastructure Development Cess (GIDC)	21.3	-	-
	Deferred income			
	Deferred Income - Government scheme	21.4	555,583	716,751
			1,225,486	1,340,828

21.1 This comprises of the following major timing differences:

Taxable temporary difference arising due to:		
tax depreciation allowances	1,550,630	1,077,973
right of use asset	27,547	35,603
Deductible temporary difference arising due to:		
Impairment allowance for ECL	(62,808)	(49,538)
Impairment allowance for slow moving stores, spare parts and loose tools	(38,006)	(33,663)
Tax losses adjustable against future tax liability	(1,477,363)	(1,030,375)
	-	-

21.1.1 **Movement in deferred tax**

	Note		
Balance as at start of the year		-	219,047
Reversal for the year	38	-	(219,047)
Balance as at end of the year		-	-

At the reporting date, deferred tax asset amounting to Rs.1,617.759 million (2024: Rs.743.283 million) has not been recognized because it is not probable that future taxable profits will be available against which the Company can utilize the deferred tax asset.

21.2 Actuarial valuation of the plan was carried out as at June 30, 2025. The calculation for provision of defined benefit plan is as under:

	Note		
Movement of the present value of defined benefit obligation (PVDBO)			
Balance as at start of the year		624,077	567,977
Charge for the year	21.2.1	143,848	130,509
Remeasurement gain		(56,549)	(38,496)
Payments during the year		(41,473)	(35,913)
Balance as at end of the year		669,903	624,077

21.2.1 **Charge for the year**

	Note		
Current service cost		59,381	43,881
Markup cost		84,467	86,628
		143,848	130,509
Allocation are as follows:			
Cost of sales	30.1	73,614	58,601
Distribution and selling costs	31.1	6,029	3,399
Administrative expenses	32.1	64,205	68,509
		143,848	130,509

The principal actuarial assumptions used were as follows:

Discount rate	12.50%	14.00%
Future salary increase rate	12.50%	14.00%
Withdrawal Rate	Moderate	Moderate
Mortality	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005

Sensitivity Analysis

	2025		2024	
	PVDBO (Rupees in Thousand)	Percentage Change	PVDBO (Rupees in Thousand)	Percentage Change
Current Liability	669,903	-	624,077	-
+ 1% Discount Rate	640,035	(4.46%)	596,252	(4.46%)
- 1% Discount Rate	704,546	5.17%	656,350	5.17%
+ 1% Salary Increase Rate	707,508	5.61%	659,110	5.61%
- 1% Salary Increase Rate	637,068	(4.90%)	593,488	(4.90%)
+ 10% Withdrawal Rates	668,528	(0.21%)	622,796	(0.21%)
- 10% Withdrawal Rates	671,338	0.21%	625,414	0.21%
1 Year Mortality age set back	669,923	0.00%	624,095	0.00%
1 Year Mortality age set forward	669,883	(0.00%)	624,059	(0.00%)

	(Rupees in Thousand)	
	2025	2024
Maturity profile	Undiscounted payments	
Year 1	205,274	202,892
Year 2	26,090	25,787
Year 3	14,500	14,332
Year 4	38,428	37,982
Year 5	32,431	32,054
Year 6 to 10	129,712	128,206
Year 11 and above	466,438	461,024

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.

	Note	(Rupees in Thousand) 2025	2024
21.3 Provision for Gas Infrastructure Development Cess			
Balance at start of the year		86,834	84,416
Remeasurement gain on discounting of provision for GIDC	34	(1,173)	(12,664)
Un-winding of long term provision for GIDC	35	1,197	15,082
		86,858	86,834
Current portion of Gas Infrastructure Development Cess	26	(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 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:

	Note	(Rupees in Thousand) 2025	2024
Opening balance		884,007	1,035,274
Amortization of government scheme		(167,256)	(151,267)
		716,751	884,007
Current portion of government scheme	26	(161,168)	(167,256)
		555,583	716,751

22 TRADE AND OTHER PAYABLES

	Note	2025	2024
Trade creditors	22.1 & 22.2	1,191,397	1,091,180
Bills payable	22.3	995,241	1,922,650
Accrued expenses	22.4	423,879	439,578
Advance payments from customers - unsecured	22.5 & 22.6	595,519	840,360
Security deposits from contractors	22.7	1,605	1,535
Workers' Welfare Fund	22.8	-	-
Provisions	22.9	1,202,755	1,097,399
Withholding taxes		24,914	18,861
Payable to Provident Fund Trusts		1,345	1,103
Other liabilities	22.10	113,957	109,975
		4,550,612	5,522,641

22.1 These includes related parties balances are as follows:

a) These include Rs.38.425 million (2024: Rs.201.915 million) payable to a related party Messrs. Novatex Limited

b) These include Rs.643.305 million (2024: Rs.146.040 million) payable to a related party Messrs. Lotte Chemical Pakistan Limitec

22.2 These include Rs.Nil (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$ 3.454 million and Euro:0.042 million (2024: US$ 6.735 million and Euro:0.150 million).

22.4 These includes related parties balances are as follows:

a) These include Rs.11.299 million (2024: Rs.Nil) payable to a subsidiary company Messrs. Gatro Power (Private) Limited on account of purchase of power.

b) These include Rs.140.086 million (2024: Rs.Nil) payable to a subsidiary company Messrs. G-Pac Energy (Private) Limited on account of purchase of power.

c) These include Rs.6.689 million (2024: Rs.Nil) payable to a related party Messrs. Novatex Limited on account of obtaining of services and cost sharing expenses.

d) These include Rs.Nil (2024: Rs.1.300 million) payable to a related party Messrs. Gani & Tayub (Private) Limited.

e) These include Rs.Nil (2024: Rs.0.034 million) payable to a related party Messrs. Nova Mobility (Private) Limited.

f) These include Rs.0.102 million (2024: Rs.Nil) payable to a related party Messrs. G-Pac Corporation.

22.5 These include Rs.Nil (2024: Rs.85.556 million) received from a related party Messrs. Novatex Limited.

22.6 Advances from customers at the beginning of the year 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.

22.8 Workers' Welfare Fund

	Note	2025	2024
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	**Provisions for:**	Note	(Rupees in Thousand) 2025	2024
	Enhanced gas rate	**22.9.1 & 22.9.2**	**56,171**	56,171
	Infrastructure Cess on imports	**22.9.3**	**855,083**	692,719
	Sales tax	**22.9.4**	**284,715**	341,723
	Others	**22.9.5**	**6,786**	6,786
			1,202,755	1,097,399

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 Honorable 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 Single Bench of Honorable Sindh High Court decided the case in favor of the Petitioners. However, in June 2016, Defendants filed appeal before the Divisional Bench of Honorable Sindh High Court which was also decided in favor of the Petitioners. Messrs. Sui Southern Gas Company Limited (SSGCL) then have filed appeal before the Honorable Supreme Court of Pakistan which is still under adjudication. 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 Honorable 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 (2024: Rs.47.667 million). As an abundant precaution, the Company has made total provision of Rs.40.194 million (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 Single Bench of Honorable Sindh High Court decided the case in favor of the Petitioners. M/s. SSGCL filed an appeal HCA 391/2024 in October 2024 before the Divisional Bench of Honorable Sindh High Court against the decision which has been decided in favour of the petitioners during February 2025. SSGCL has filed an appeal in the Honorable Supreme Court against the judgment of the Divisional Bench of Honorable Sindh High Court in favor of the petitioners; however, no notices have been issued as of yet.

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 Honorable 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 Honorable 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 (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 Single Bench of Honorable Sindh High Court has decided the case in favor of Petitioners. SSGCL has filed appeal HCA. 183/2020 in October 2020 before the Divisional Bench of Honorable Sindh High Court against the decision and is pending for adjudication.

22.9.3	**Movement is as under:**	2025	2024
	Balance as at start of the year	**692,719**	493,381
	Provision made during the year	**162,364**	199,338
	Balance as at end of the year	**855,083**	692,719

The Company had filed a petition in the Honorable Sindh High Court at Karachi on May 25, 2011 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 Honorable 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 bearing CP. No. 4515/2021 in Honorable 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 Honorable 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.878.365 million (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 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 Honorable 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 before the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan has maintained the Honorable Sindh High Court decision. Total amount of demand raised by the tax department is Rs.16.757 million, against which appeal has been filed before CIR(A) which has also been decided against the Company, however, due to certain apparent mistakes in order, rectification application has been filed, which is pending.

22.9.5 This represents provision of Gas Infrastructure Development Cess amounting to Rs.4.131 million (2024: Rs.4.131 million) and rate difference of gas tariff Rs.2.655 million (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.67.788 million (2024: Rs.64.600 million) received from employees under Company car policy.

23 UNPAID DIVIDEND

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

	Note	(Rupees in Thousand) 2025	2024
24 ACCRUED MARK UP/PROFIT			
Profit on long term financing		**320,767**	526,623
Mark up/profit on short term borrowings		**159,336**	16,389
	24.1	**480,103**	543,012

24.1 This includes accrued profit of Rs.479.800 million (2024: Rs.542.943 million) under Shariah compliant arrangements.

25 SHORT TERM BORROWINGS - Secured

From banking companies under mark up/profit arrangements

		2025	2024
Running finance - Under Conventional		**763,716**	77,733
- Under Shariah compliant		**5,838,058**	3,337,005
		6,601,774	3,414,738
Short term finance - Under Shariah compliant		**157,434**	14,825
Export re-finance - Under Shariah compliant		**150,000**	150,000
		6,909,208	3,579,563

25.1 The Company has aggregate facilities of short term borrowings amounting to Rs.13,594 million (2024: Rs.13,080 million) from various commercial banks (as listed in Note 25.3) out of which Rs.6,685 million (2024: Rs.9,500 million) remained unutilized at the 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 11.94% to 19.59% and for export refinance 8.40% 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 Islamic Bank Limited, Meezan Bank Limited, Soneri Bank Limited, The Bank of Punjab and United Bank Limited.

26 CURRENT PORTION OF DEFERRED LIABILITIES AND INCOME

	Note	2025	2024
Gas Infrastructure Development Cess	21.3	**86,858**	86,834
Deferred Income - Government scheme	21.4	**161,168**	167,256
		248,026	254,090

		Note	(Rupees in Thousand) 2025	2024
27	**PROVISION FOR LEVIES AND INCOME TAX LESS PAYMENTS**			
	Balance as at start of the year		**206,584**	255,432
	Provision - Current		**328,009**	424,411
	- Prior		**2,396**	(94,553)
			330,405	329,858
			536,989	585,290
	Payments		**(376,827)**	(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		**(1,975)**	(964)
			(319,608)	(378,706)
	Balance as at end of the year		**217,381**	206,584

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 in the 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 alongwith several other companies filed suit in the Honorable Sindh High Court against OGRA and others challenging the validity and promulgation of GIDC Act 2015. The Single Bench of Honorable Sindh High Court had decided the case in favor of Petitioners. However, in May 2020, Defendants have filed appeal before the Divisional Bench of Honorable 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 Honorable Supreme Court of Pakistan, the Company has filed a Civil Suit No.1369/2020 dt:01-10-2020 before the Honorable Sindh High Court against payment of GIDC instalments 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 Honorable Supreme Court of Pakistan against the judgment. No provision of the amount involved i.e. Rs.50.468 million (2024: Rs.42.340 million) has been made in these 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 30-03-2022, 07-04-2020 & 18-08-2020 before the ATIR against orders passed by CIR(A). No provision has been made in these 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 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 been decided by ATIR in favour of Company.

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 been decided by ATIR in favour of Company.

28.1.10 The Company had filed a petition no. CP No.D-5468 dated August 26, 2019 in Honorable 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 (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.

28.1.11 The Company had filed a petition no. CP D-573 dated January 26, 2019 before the Honorable 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 un-consolidated financial statements.

28.1.12 The Company had filed petition no. D-557 & D-2656 before the Honorable 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 no. 2307 of 2020 and 2308 of 2020 before the Honorable Supreme Court of Pakistan against the judgement of the Sindh High Court, hearing of which is pending at the moment. The Company also filed appeal dated: October 27, 2020 before the CIR(A) against the order dated: October 01, 2020 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 un-consolidated financial statements.

28.1.13 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.

28.1.14 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 amounting to Rs.105.230 million. The Company has challenged the provision of Finance Act, 2019 before the Honorable Sindh High Court vide C.P. no. D-8506 of 2019, 6582 of 2020 and 7540 of 2022 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 Honorable Sindh High Court in Honorable 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 before the Honorable 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 protest.

28.1.15 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 before ATIR against the said judgment. No provision has been made in these un-consolidated financial statements.

28.1.16 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 against the said notices before the Honorable Sindh High Court vide C.P. no.D-5247 of 2021, 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 un-consolidated financial statements.

28.1.17 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 before CIRA.

28.1.18 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. 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:13-05-2023 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.

28.1.19 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% in others C.P. no. 3825 and 3909 of 2022. 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 un-consolidated financial statements.

28.1.20 The Company has filed the petition no. CP D-7001/2022 dated November 12, 2022 in Honorable 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.

28.1.21 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.

28.1.22 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 before CIR(A), which has been decided the case partly in favor of the Company vide order dated November 15, 2023. The Company has filed appeal before ATIR, which is pending for hearing.

28.1.23 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 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.

28.1.24 Tax Department has raised demand of Rs.4.684 million by disallowing input 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 30, 2024 before ATIR against the said order.

28.1.25 Income tax return for the Tax Year 2023 was amended by the ADCIR vide order dated October 11, 2024 resulting in reduction of tax refund of Rs.139.23 million against which the Company filed an appeal dated: November 11, 2024 before the ATIR.

28.1.26 The DCIR has raised demand of Rs.39.77 million by disallowing input sales tax on building material, vide order dated October 8, 2024, for the tax period July 2022. The Company has filed an appeal#STA 779/KB 2024 dated:01-11-2024 before ATIR against the said order. However, the Company has deposited the demanded amount into Government Treasury.

		Note	(Rupees in Thousand) 2025	2024
28.2	**Guarantees**			
	Bank Guarantees in favour of:			
	The Director Excise & Taxation, Karachi	**22.9.3**	**878,365**	778,365
	The Electric Inspector, President Licencing Board, Quetta		**10**	10
	Pakistan State Oil Company Limited		**41,500**	70,000
	K-Electric Limited		**18,496**	18,496
	Nazir of the High Court of Sindh, Karachi	**28.1.10**	**15,351**	15,351
	Revolving Letter of Credit in favour of:			
	Sui Southern Gas Company Limited for Gas		**71,078**	38,300
			1,024,800	920,522

28.3 **Commitments**

The Company's commitments, against which the banks have opened Letters of Credit, in favor of different suppliers, are as follows:

	2025	2024
Foreign currency:		
Property, plant and equipment	**399,047**	576,401
Raw and packing material	**1,051,555**	838,897
Spare parts and others	**35,626**	92,163
	1,486,228	1,507,461
Local currency:		
Property, plant and equipment	**2,366**	53,509
Raw material	**-**	1,426,605
Spare parts and others	**-**	11,156
	2,366	1,491,270
	1,488,594	2,998,731

28.3.1 The Company has made an agreement for purchase of land amounting to Rs.Nil (2024: Rs.133.150 million), out of which Rs.Nil (2024: Rs.17.225 million) paid as advance (refer note 4).

		Note	(Rupees in Thousand) 2025	2024
29	**SALES**			
	Gross local sales		**26,438,717**	36,719,513
	Processing charges		**4,123,067**	2,196,818
			30,561,784	38,916,331
	Less: Sales tax		**4,670,300**	5,718,233
			25,891,484	33,198,098
	Export sales		**436,556**	815,483
			26,328,040	34,013,581
30	**COST OF SALES**			
	Raw and packing material consumed		**15,641,914**	22,603,658
	Stores, spare parts and loose tools consumed		**758,277**	513,497
	Outsource processing charges		**-**	174,745
	Salaries, wages, allowances and benefits	30.1 & 30.2	**2,076,571**	2,158,035
	Power, fuel and gas		**5,694,096**	5,458,452
	Rent, rates and taxes		**12,579**	35,554
	Insurance		**171,312**	146,858
	Cartage and transportation		**245,065**	326,766
	Repairs and maintenance		**106,866**	181,464
	Communications and Computer		**3,405**	8,822
	Water supply		**18,023**	16,161
	Travelling		**10,228**	16,275
	Sundry expenses		**44,427**	54,809
	Depreciation	4.2	**1,505,820**	850,259
			26,288,583	32,545,355
	Scrap sales	30.3	**(202,169)**	(182,947)
			26,086,414	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		**(1,993,722)**	(1,392,301)
	Closing stock of unfinished goods held for sale		**(1,206)**	(32,744)
	Cost of goods manufactured		**25,516,531**	31,647,608
	Opening stock of finished goods		**3,818,775**	4,097,889
	Closing stock of finished goods		**(3,893,080)**	(3,818,775)
			25,442,226	31,926,722

30.1 These include Rs.7.094 million (2024 Rs.6.578 million) and Rs.73.614 million (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 in respect of amount received from subsidiary companies Messrs. Gatro Power (Private) Limited Rs.48 million (2024: Rs.42 million) and Messrs. G-Pac Energy (Private) Limited Rs.3 million (2024: Rs.Nil) against plant operation arrangement.

30.3 Net off sales tax amounting to Rs.40.730 million (2024: Rs.35.392 million).

		Note	2025	2024
31	**DISTRIBUTION AND SELLING COSTS**			
	Salaries, wages, allowances and benefits	31.1	**68,330**	47,840
	Insurance		**2,549**	5,992
	Rent, rates and taxes		**17,515**	14,431
	Handling, freight and transportation		**315,708**	200,317
	Advertisement and sales promotion		**292**	599
	Communications		**869**	918
	Travelling		**2,225**	1,380
	Legal and professional fee		**-**	182
	Sundry expenses		**27,512**	22,607
	Depreciation	4.2	**2,749**	2,151
	Depreciation right of use assets	4.6.1	**8,368**	5,579
			446,117	301,996

31.1 These include Rs.6.029 million (2024: Rs.3.399 million) representing expenditure on defined benefit plan.

		Note	(Rupees in Thousand) 2025	2024
32	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages, allowances and benefits	32.1	351,197	371,099
	Rent, rates and taxes		3,627	1,111
	Insurance		9,197	11,772
	Repairs and maintenance		2,971	40,318
	Travelling		5,498	10,718
	Communications		8,901	9,059
	Legal and professional fees		13,535	19,789
	Utilities		15,608	2,123
	Printing and stationery		879	330
	Transportation		21,421	25,377
	Sundry expenses		18,709	30,047
	Depreciation	4.2	8,231	11,438
	Depreciation right of use assets	4.6.1	16,271	18,141
	Amortization of intangible asset	5	10,025	10,025
			486,070	561,347

32.1 These include Rs.Nil (2024: Rs.0.018 million) and Rs.64.205 million (2024: Rs.68.509 million) respectively, representing contribution to defined contribution plan by the Company and expenditure on defined benefit plan.

		Note	2025	2024
33	**OTHER EXPENSES**			
	Impairment allowance for ECL - net	11.5	45,761	52,641
	Impairment allowance for slow moving stores, spare parts and loose tools - net	9.1	15,220	21,034
	Impairment in long term investments	6.3 & 6.6	53,871	38,357
	Exchange loss - net		44,321	-
	Corporate social responsibility	33.1	-	4,954
	Auditors' remuneration	33.2	7,615	3,678
			166,788	120,664

33.1 This includes donations of Rs.Nil (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 (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.

		Note	2025	2024
33.2	**Auditors' remuneration**			
	Audit fee - annual financial statements		3,200	2,750
	Audit fee - special purpose financial statements		2,750	-
	Audit fee - Special purpose consolidated financial statements		200	-
	Limited review, audit of annual consolidated financial statements and certification fee		435	445
	Sindh sales tax on services		527	256
	Out of pocket expenses		503	227
			7,615	3,678

		Note	2025	2024
34	**OTHER INCOME**			
	Income from financial assets			
	Profit on deposits		1,364	109,828
	Income from non - financial assets & others			
	Gain on disposal of property, plant and equipment	4.3	23,758	22,088
	Liabilities no more payable written back		7,369	29,470
	Amortization of interest free long term loan to subsidiary company		49,441	41,722
	Amortization of Government Scheme		24,378	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	22.8	-	16,301
	Miscellaneous income		4,227	359
			110,346	179,822
			111,710	289,650

		Note	(Rupees in Thousand) 2025	2024
35	FINANCE COST			
	Profit on long term financing		828,485	209,266
	Interest on lease liability against right of use assets		14,366	22,495
	Mark up/profit on short term borrowings		690,624	1,238,763
	Un-winding of long term provision for GIDC	21.3	1,197	15,082
	Bank charges and guarantee commission		4,595	8,981
		35.1	1,539,267	1,494,587

35.1 It includes finance costs under Shariah Complaint arrangement amounting to Rs.1,519.172 million (2024: Rs.1,217.784 million).

		Note	2025	2024
36	INVESTMENT INCOME - DIVIDEND			
	Dividend income from investment in mutual fund		-	8,538
37	LEVIES			
	Final Tax - current		-	9,435
	Final Tax - prior year		1,833	-
	Minimum tax		328,009	414,976
		38.1	329,842	424,411

This represent final tax under section 113 and 154 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

		Note	2025	2024
38	INCOME TAX			
	For the prior year		563	(94,553)
	Deferred	21.1.1	-	(219,047)
		38.1	563	(313,600)

38.1 The Company is subject to Minimum Tax/Levies under section 113 and 154 of the Income Tax Ordinance 2001 for local and export sales. Accordingly, the relationship between tax expense accounting profit has not been presented in these un-consolidated financial statement.

		2025	2024
39	LOSS PER SHARE - Basic and diluted		
	Loss for the year	(1,971,123)	(204,358)
		(Number of Shares)	
	Weighted average number of Ordinary Shares in issue during the year	108,728,960	86,718,699
		(Rupees)	
	Loss per share - Basic and diluted	(18.13)	(2.36)

39.1 There is no dilutive effect on the basic loss per share of the Company.

		Note	(Rupees in Thousand) 2025	2024
40	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	16	119,941	297,008
	Short term borrowings - Running finance	25	(6,601,774)	(3,414,738)
			(6,481,833)	(3,117,730)

	(Rupees in Thousand) 2025	2024
41 FINANCIAL INSTRUMENTS		
Financial assets as per statement of financial position		
- Measured at amortized cost		
Loans and advances	**205,052**	445,291
Deposits	**15,501**	73,843
Trade debts	**4,662,811**	3,516,225
Other receivables	**128,733**	175,513
Cash and bank balances	**119,941**	297,008
	5,132,038	4,507,880
Financial liabilities as per statement of financial position		
- Measured at amortized cost		
Long term financing	**9,116,830**	9,703,216
Lease liability against right of use assets	**94,988**	122,769
Trade and other payables	**2,659,636**	3,501,421
Unclaimed dividend	**853**	8,219
Unpaid dividend	**20,801**	20,801
Accrued mark up/profit	**480,103**	543,012
Short term borrowings	**6,909,208**	3,579,563
	19,282,419	17,479,001

The effective interest/markup rates for the monetary financial assets and liabilities are mentioned in respective notes to the 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:

	(Rupees in Thousand) 2025	2024
Trade creditors	179,786	122,322
Bills Payable	995,241	1,922,650
	1,175,027	2,044,972
Trade Debts	(60,777)	(38,146)
Receivable from suppliers	(106,956)	(119,265)
Cash at bank in foreign currency accounts	(36,865)	(204,337)
	(204,598)	(361,748)
	970,429	1,683,224
Commitments - Outstanding letters of credit	1,486,228	1,507,461
Net exposure	2,456,657	3,190,685

The following significant exchange rates have been applied:

	Rupees			
	Average rate		Reporting date rate	
	2025	2024	2025	2024
Buying				
USD to PKR	278.85	282.40	283.60	278.30
Euro to PKR	303.38	305.42	332.29	297.98
Selling				
USD to PKR	279.35	282.90	284.10	278.80
Euro to PKR	303.97	305.97	332.87	298.54

At reporting date, if the PKR had strengthened/weakened by 10% against the USD and Euro 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.

	(Rupees in Thousand)			
	Average rate		Reporting date rate	
	2025	2024	2025	2024
Effect on statement of profit or loss				
USD to PKR	236,963	296,446	241,028	292,217
Euro to PKR	4,234	27,521	4,638	26,852
	241,197	323,967	245,666	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:

	2025	2024	(Rupees in Thousand) 2025	2024
	Effective rate (in %)		Carrying amount	
Financial Assets				
Variable rate instruments				
Bank balance	5.00 - 19.26	6.60 - 20.67	1,711	1,574
Financial Liabilities				
Variable rate instruments				
Long term financing	11.73 - 22.25	18.54 - 24.53	(4,540,597)	(4,576,414)
Short term borrowings	8.40 - 22.52	16.40 - 23.43	(6,909,208)	(3,579,563)
			(11,448,094)	(8,154,403)

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.

	Statement of profit or loss before tax	
	100 bp increase	100 bp decrease
As at June 30, 2025		
Cash flow sensitivity - Variable rate	(114,481)	114,481
As at June 30, 2024		
Cash flow sensitivity - Variable rate	(81,544)	81,544

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 interalia 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.5,132.038 million (2024: Rs.4,507.880 million), financial assets of Rs.5,129.363 million (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:

	(Rupees in Thousand)	
	2025	2024
Loans and advances	205,052	445,291
Deposits	15,501	73,843
Trade debts	4,662,811	3,516,225
Other receivables	128,733	175,513
	4,791,544	3,691,738
Bank balances	117,266	293,574
	5,129,363	4,504,446

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	1,566,580	1,000,834
Past due 1-30 days	1,409,991	947,476
Past due 31-90 days	959,941	1,013,221
Past due 91-180 days	293,325	513,934
Past due 180 days	778,288	387,093
	5,008,125	3,862,558
Allowance for ECL - local	(216,581)	(170,820)
	4,791,544	3,691,738

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

Banks	Rating Agency	Rating Short term	Rating Long term	(Rupees in Thousand) 2025	2024
Askari Bank Limited	PACRA	A1+	AA+	45	-
Bank Al-Falah Limited	PACRA	A1+	AAA	22,678	16,271
Bank Al-Habib Limited	PACRA	A1+	AAA	4,689	7,488
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	2,480	2,367
Faysal Bank Limited	PACRA	A1+	AA	5,156	4,907
Habib Bank Limited	VIS	A-1+	AAA	1,028	1,432
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	43,926	142,100
MCB Bank Limited	PACRA	A1+	AAA	6,736	31,170
Meezan Bank Limited	VIS	A-1+	AAA	25,044	24,893
National Bank of Pakistan	PACRA	A1+	AAA	468	815
Soneri Bank Limited	PACRA	A1+	AA-	-	1,458
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	4,403	60,238
The Bank of Punjab	PACRA	A1+	AA+	136	118
United Bank Limited	VIS	A-1+	AAA	477	317
				117,266	293,574

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 June 30, 2025, the Company has Rs.13,594 million available borrowing limit from financial institutions. The Company has unutilized borrowing facilities of Rs.6,685 million in addition to balances at banks of Rs.117 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.

	(Rupees in Thousand) Carrying Amount	Contractual Cash Flow	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
2025							
Long term financing	9,116,830	11,223,530	929,048	1,309,684	3,145,484	5,531,001	308,313
Lease liability against right of use assets	94,988	123,748	18,244	18,649	39,387	47,468	-
Trade and other payables	2,659,636	2,659,636	2,659,636	-	-	-	-
Unclaimed dividend	853	853	853	-	-	-	-
Unpaid dividend	20,801	20,801	20,801	-	-	-	-
Accrued mark up/profit	480,103	480,103	480,103	-	-	-	-
Short term borrowings	6,909,208	7,107,948	7,107,948	-	-	-	-
	19,282,419	21,616,619	11,216,633	1,328,333	3,184,871	5,578,469	308,313
2024							
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	-	-	-	-
	17,479,001	24,910,599	9,360,636	1,362,639	2,719,708	6,957,885	4,509,731

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.

Certain loan facilities of the Company require compliance with loan covenants (common being current ratio, gearing ratio, and debt service coverage ratio) during the respective tenures of the facilities. Breach of covenants may require the Company to repay the loan earlier than agreed upon repayment dates in case upon intimation of the lender the default is not rectified. The Company monitors the compliance with covenants on a regular basis. There are no indications that the Company would have difficulties complying with these covenants.

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

	(Rupees in Thousand) 2025	2024
Total borrowings	**16,026,038**	13,282,779
Cash and bank balances	**(119,941)**	(297,008)
Net debt	**15,906,097**	12,985,771
Total equity	**11,372,589**	13,287,163
Total capital	**27,278,686**	26,272,934
Gearing ratio	**58%**	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

	(Rupees in Thousand) 2025				
	Long term loans	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	(1,039,695)	-	-	-	(1,039,695)
Proceeds from long term loan	286,053	-	-	-	286,053
Effect of lease modification during the year	-	-	-	(7,479)	(7,479)
Lease rentals paid	-	-	-	(34,668)	(34,668)
Accretion of interest	-	-	-	14,366	14,366
Dividend paid	-	-	(7,366)	-	(7,366)
Total changes from financing activities	(753,642)	-	(7,366)	(27,781)	(788,789)
Other changes	205,856	(142,947)	-	-	62,909
Interest expense	828,485	690,624	-	14,366	1,533,475
Interest paid	(1,034,341)	(547,677)	-	(14,366)	(1,596,384)
Deferred government grant recognized	167,256	-	-	-	167,256
Changes in short term borrowings	-	3,329,645	-	-	3,329,645
Total loan related other changes	167,256	3,329,645	-	-	3,496,901
Total equity related other changes	-	-	-	-	-
Balance as at June 30, 2025	**9,116,830**	**6,909,208**	**21,654**	**94,988**	**16,142,680**

	2024				
	Long term loans	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
Interest expense	209,266	1,238,763	-	22,495	1,470,524
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:

(Rupees in Thousand)

Particulars	Chief Executive		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Managerial remuneration	**14,148**	14,148	**9,036**	9,036	**560,722**	409,908	**583,906**	433,092
Post employment benefits	**7,874**	7,927	**1,724**	1,462	**62,996**	45,580	**72,594**	54,969
Other benefits	-	-	-	-	**85,309**	67,552	**85,309**	67,552
Reimbursement	**16**	-	**13**	-	**10,140**	3,897	**10,169**	3,897
Total	**22,038**	22,075	**10,773**	10,498	**719,167**	526,937	**751,978**	559,510
Number of persons for remuneration	**1**	1	**1**	1	**175**	106	**177**	108

42.1 Aggregate amount of meeting fee to 7 non-executive directors (2024: 9 non-executive Directors) was Rs.1.600 million (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.188.724 million (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 year ended June 30, 2025 is as follows:

(Rupees in Thousand)

	2025			2024		
	Polyester Filament Yarn	Polyester PET Preforms	Total	Polyester Filament Yarn	Polyester PET Preforms	Total
External sales	23,523,990	2,804,050	26,328,040	30,289,729	3,723,852	34,013,581
Segment result before depreciation	597,703	872,724	1,470,427	1,275,287	812,077	2,087,364
Less: Depreciation on property, plant and equipment	(1,455,235)	(61,565)	(1,516,800)	(792,144)	(71,704)	(863,848)
Segment result after depreciation	(857,532)	811,159	(46,373)	483,143	740,373	1,223,516
Reconciliation of segment results with Loss before levies and income tax:						
Total results for reportable segments			(46,373)			1,223,516
Other expenses			(166,788)			(120,664)
Other income			111,710			289,650
Finance costs			(1,539,267)			(1,494,587)
Investment income - Dividend			-			8,538
Loss before levies and income tax			(1,640,718)			(93,547)

Assets and liabilities by segments are as follows:

	Polyester Filament Yarn	Polyester PET Preforms	Total	Polyester Filament Yarn	Polyester PET Preforms	Total
Segment assets	26,751,822	1,174,160	27,925,982	28,461,355	814,333	29,275,688
Segment liabilities	12,717,005	141,751	12,858,756	14,207,708	475,089	14,682,797

Reconciliation of segments assets and liabilities with total in the un-consolidated statement of financial position is as follows:

	Assets 2025	Liabilities 2025	Assets 2024	Liabilities 2024
Total for reportable segments	27,925,982	12,858,756	29,275,688	14,682,797
Unallocated	6,310,895	10,005,532	5,313,198	6,618,926
Total as per un-consolidated statement of financial position	34,236,877	22,864,288	34,588,886	21,301,723

Other segment information is as follows:

	Polyester Filament Yarn	Polyester PET Preforms	Total	Polyester Filament Yarn	Polyester PET Preforms	Total
Depreciation on property, plant and equipment	1,455,235	61,565	1,516,800	792,144	71,704	863,848
Capital expenditures incurred during the year	198,007	-	198,007	2,096,335	8,823	2,105,158
Unallocated capital expenditure incurred during the year			1,045,948			497,473
Total			1,243,955			2,602,631

43.3 98.34% (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 June 30, 2025 are located in Pakistan.

43.5 Revenue from major customer individually accounting for more than 10% of the Company's revenue was Rs.4,511.958 million (2024 Rs.5,947.955 million).

	Note	(Metric Tons) 2025	2024
44 PLANT CAPACITY AND ACTUAL PRODUCTION			
Polyester Filament Yarn	44.1		
Annual capacity-75 denier		**51,044**	43,424
Annual capacity-150 denier		**101,324**	86,280
Actual production		**47,424**	52,517
Polyester P.E.T. Preforms	44.2		
Annual capacity-27 gms		**31,512**	31,512
Actual production		**18,808**	12,676
Knitted Fabrics	44.3		
Annual capacity		**1,636**	1,090
Actual production		**871**	699

44.1 The capacity is determined based on 75 denier and 24 filaments/150 denier and 48 filaments. Actual production represents production of various deniers.

44.2 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 739.278 million (2024: 462.150 million) against annual capacity (based on 27 gms) of 1,167 million pieces.

44.3 The actual production versus annual capacity is lower on account of market demand of the Company's product, moreover the production is increasing gradually.

45 TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand) 2025	2024
Gatro Power (Private) Limited	Wholly owned Subsidiary Company	100% ownership	Purchase of power	**3,666,769**	2,976,300
			Plant operation arrangement	**48,000**	42,000
			Reimbursement of expenses	**61,076**	56,551
Global Synthetics Limited	Wholly owned Subsidiary Company	100% ownership	Investment made	-	200
G-Pac Energy (Private) Limited	Wholly owned Subsidiary Company	100% ownership	Purchase of power	**415,604**	-
			Long term loan disbursed	**25,100**	364,750
			Repayment of long term loan	**325,100**	63,550
			Plant operation arrangement	**3,000**	-
			Reimbursement of expenses	-	21
Novatex Limited	Related Party	Common directorship	Sales of goods and other material	**1,102,112**	4,097,801
			Rendering of services	**3,442,098**	1,850,154
			Purchase of raw and other material	**1,204,725**	1,273,202
			Obtaining of services	-	170,861
			Rent	**22,777**	23,976
			Reimbursement of expenses	**328,514**	394,500
Krystalite Product (Private) Limited	Related Party	Common key management	Sales of goods and other material	**5,001**	173,981
			Sale of property, plant & equipment	-	2,450
			Reimbursement of expenses	**1,656**	2,585
Mustaqim Dyeing & Printing Ind (Private) Limited	Related Party	Common directorship	Sale of goods	**222,540**	391,261
			Rendering of services	**37,354**	-
			Reimbursement of expenses	**730**	-
Gani & Tayub (Private) Limited	Related Party	Common directorship	Rent	**7,800**	7,800

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand) 2025	2024
Nova Frontiers Limited	Related Party	Common directorship	Issuance of Right Shares	-	5,581,649
			Reimbursement of expenses	80	-
Gatron Foundation	Related Party	Common directorship	Payment of donation	-	3,954
Pharmnova (Private) Limited	Related Party	Common key management	Reimbursement of expenses	9,971	-
G-Pac Corporation	Related Party	Common directorship	Sale of goods	207,096	415
			Reimbursement of expenses	101	-
G&T Tyres (Private) Limited	Related Party	Common directorship	Purchase of other material	824	544
Nova Mobility (Private) Limited	Related Party	Common key management	Purchase of other material	32	-
			Reimbursement of expenses	214	84
Krystosoft (Private) Limited	Related Party	Common directorship	Acquisition of services	57	-
Lotte Chemica Pakistan Limitec	Related Party	Common directorship	Purchase of material	4,836,279	2,243,621
Gatron (Ind) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	7,094	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

	(Rupees in Thousand) 2025 (Un-audited)	2024 (Audited)
46 PROVIDENT FUND RELATED DISCLOSURES		
The Following information is based on latest financial statements of the Funds.		
Size of the Funds - Total Asset:	158,048	150,977
Cost of Investments made	155,543	150,208
Fair value of investment:	156,703	149,868
Percentage of investments made (Fair value to size of the func	99.15%	99.27%

	(Rupees in Thousand) 2025 Amount	%	2024 Amount	%
46.1 The Break-up of cost of investments is:				
Bank Deposit:	155,543	100.00%	150,208	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.

	(Number of employees) 2025	2024
47 NUMBER OF EMPLOYEES		
Total number of employees as at June 3(	742	768
Average number of employees during the yea	760	818

48 **DATE OF AUTHORISATION FOR ISSUE**

These un-consolidated financial statements were authorized for issue on October 04, 2025 by the Board of Directors of the Company.

49 **GENERAL**

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

SHABBIR DIWAN	**MUHAMMAD IQBAL BILWANI**	**MUHAMMAD NAEEM**
Chief Executive Officer	Director	Chief Financial Officer

Pattern of Shareholding
As on June 30, 2025

Number of Shareholders	Shareholdings From		To	Total Shares Held
342	1	-	100	20,198
287	101	-	500	82,276
581	501	-	1000	555,450
340	1001	-	5000	642,914
36	5001	-	10000	262,276
4	10001	-	15000	50,432
3	15001	-	20000	49,640
1	20001	-	25000	22,629
1	25001	-	30000	28,600
1	45001	-	50000	50,000
1	75001	-	80000	75,282
1	135001	-	140000	140,000
2	225001	-	230000	458,390
1	250001	-	255000	252,000
1	350001	-	355000	353,090
1	395001	-	400000	400,000
1	400001	-	405000	401,252
1	475001	-	480000	478,390
2	480001	-	485000	960,780
5	705001	-	710000	3,540,930
1	735001	-	740000	738,186
2	995001	-	1000000	1,999,500
1	1000001	-	1005000	1,001,000
1	1035001	-	1040000	1,037,152
1	1140001	-	1145000	1,143,224
1	1175001	-	1180000	1,177,116
1	1225001	-	1230000	1,227,668
1	1275001	-	1280000	1,275,566
1	2105001	-	2110000	2,106,713
1	2180001	-	2185000	2,182,180
1	2340001	-	2345000	2,340,490
1	2365001	-	2370000	2,367,612
1	2685001	-	2690000	2,689,040
1	2885001	-	2890000	2,885,698
1	3005001	-	3010000	3,008,200
1	3240001	-	3245000	3,240,774
1	4175001	-	4180000	4,179,210
1	5615001	-	5620000	5,616,140
1	6060001	-	6065000	6,061,606
1	6450001	-	6455000	6,451,652
1	6925001	-	6930000	6,926,740
1	8350001	-	8355000	8,353,825
1	31895001	-	31900000	31,895,139
1,636				**108,728,960**

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer their Spouse(s) and Minor Children, if any.	27,475,624	25.27
Associated Companies, Undertakings and Related Parties	35,135,913	32.32
	1,200	0.00
NIT and ICP	1,200	0.00
Banks Development Financial Institutions, Non Banking Financial Institutions	12,550,540	11.54
	400	0.00
Insurance Companiesd Mutual Funds	400	-0.00
Modarabas and Mutual Funds	-	-
a) Local	32,090,321	29.51
b) Foreign	1,417,620	1.30
General Public		
a) Local	32,090,321	29.51
b) Foreign	1,417,620	1.30
	108,728,960	**100.00**
Others	57,342	0.05
Shareholders holding 10% Shares or more		
	108,728,960	**100.00**
Novatex Limited		

Shareholders holding 10% Shares or more

Novatex Limited	31,895,139	29.33

CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of M/s. Gatron (Industries) Limited, we are pleased to present the Audited Consolidated Financial Statements of the Group for the year ended June 30, 2025.

THE GROUP

The Group comprises of Gatron (Industries) Limited and its subsidiaries i.e. Gatro Power (Private) Limited, Global Synthetics Limited and G-Pac Energy (Private) Limited. The Director's report, detailing performance of the Holding Company i.e. Gatron (Industries) Limited for the year ended June 30, 2025, has been annexed separately in this report.

The principal business of Wholly Owned Subsidiary Companies Messrs. Gatro Power (Private) Limited and G-Pac Energy (Private) Limited is to generate and sell electric power. The operations of the Subsidiary Companies remain normal during the year.

Wholly owned subsidiary Messrs. Global Synthetics Limited has yet to commence its operations.

CONSOLIDATED FINANCIALS:

	(Pak Rupees in Thousand)
Operating results for the year ended June 30, 2025	
Loss before levies and income tax	(1,674,182)
Levies and Income tax	340,499
Loss after income tax	(2,014,681)
Un- appropriated Profit brought forward	1,778,223
Accumulated loss carried forward	(179,964)
Loss per share - Basic and diluted (Rupees)	(18.53)

	(Pak Rupees in Thousand)
State of Affairs as on June 30, 2025	
Property, plant and equipment	21,257,284
Other non-current assets	60,086
Current assets	15,834,762
Total assets	37,152,132
Deduct:	
Non-current liabilities	8,929,475
Current liabilities	15,373,728
Total liabilities	24,303,203
Net assets financed by shareholders' equity	12,848,929

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Group occurred during the period to which the balance sheet relates and the date of this report.

INTERNAL FINANCIAL CONTROLS

The system of internal controls is sound in design and has been effectively implemented and monitored.

ACKNOWLEDGMENT

The Board of Directors of your Company take this opportunity to express their deep sense of gratitude for all the stakeholders for their encouragement and continued support, we appreciate the Company's management and supporting staff for their satisfactory performance and devotion to duty and we are grateful to all Government Institutions, Auditors, the SECP, the PSX and Banks for their valuable support and cooperation.

SHABBIR DIWAN	**MUHAMMAD IQBAL BILWANI**
CHIEF EXECUTIVE OFFICER	DIRECTOR

October 04, 2025

ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان،

میسرز گیٹرون (انڈسٹریز) لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2025ء کو ختم ہونے والے سال کے لیے گروپ ہذا کے آڈٹ شدہ جامع مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

گروپ

مذکورہ گروپ گیٹرون (انڈسٹریز) لمیٹڈ اور اس کے ذیلی اداروں یعنی گیٹرو پاور (پرائیویٹ) لمیٹڈ، گلوبل سنتھیٹکس لمیٹڈ اور G-پیک انرجی (پرائیویٹ) لمیٹڈ پر مشتمل ہے۔ ہولڈنگ کمپنی یعنی گیٹرون (انڈسٹریز) لمیٹڈ کی 30 جون 2025ء کو ختم ہونے والے مالی سال کی کارکردگی کے بارے میں ڈائریکٹرز کی رپورٹ کو مذکورہ رپورٹ میں علیحدہ سے منسلک کیا گیا ہے۔

مکمل ملکیتی ذیلی کمپنیز میسرز گیٹرو پاور (پرائیویٹ) لمیٹڈ اور G-پیک انرجی (پرائیویٹ) لمیٹڈ کے بنیادی کاروبار بجلی کی پیداوار اور فروخت ہے۔ مالی سال کے دوران ان ذیلی کمپنیوں کے آپریشن معمول کے مطابق جاری رہے۔

مکمل ملکیتی ذیلی کمپنی میسرز گلوبل سنتھیٹکس لمیٹڈ نے تاحال اپنے آپریشنز کا آغاز نہیں کیا ہے۔

جامع مالیات:

	پاکستانی روپے (ہزاروں میں)
آپریٹنگ نتائج برائے سال مختتمہ 30 جون 2025ء	
خسارہ قبل از محصولات اور انکم ٹیکس	(1,674,182)
محصولات اور انکم ٹیکس	340,499
خسارہ بعد از محصولات اور انکم ٹیکس	(2,014,681)
غیر متصرف منافع گزشتہ (Un- appropriated Profit brought forward)	1,778,223
جمع شدہ خسارہ حالیہ (Accumulated loss carried forward)	(179,964)
نقصان فی شیئر بنیادی اور تقسیم شدہ (Loss per share - Basic and diluted) (روپے)	(18.53)
30 جون 2025ء تک معاملات کی صورتحال	
املاک، پلانٹ اور ایکوپمنٹ	21,257,284
دیگر پائیدار اثاثہ جات	60,086
بدل پزیر اثاثہ جات	15,834,762
کل اثاثہ جات	37,152,132
منہاجات:	
پائیدار واجبات	8,929,475
بدل پزیر واجبات	15,373,728
کل واجبات	24,303,203
خالص اثاثہ جات ادا شدہ منجانب ایکوئٹی بابت حصص یافتگان	12,848,929

اہم تبدیلیاں اور معاہدات:

بیلنس شیٹ کی تاریخ اور رپورٹ ہذا کی تاریخ کے درمیان کمپنی کی مالیاتی حیثیت میں تبدیلی لانے والی نہ کوئی اہم بات رونما ہوئی اور نہ ہی ایسے معاہدے ہوئے۔

اندرونی مالیاتی کنٹرول:

اندرونی نگہداری کا نظام مضبوط بنیادوں پر استوار ہے اور اس کا نفاذ موٴثر طور سے کیا گیا ہے اور اس پر نظر بھی رکھی جاری ہے۔

اظہار تشکر:

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اس موقع پر تمام اسٹیک ہولڈرز کی حوصلہ افزائی اور مسلسل تعاون کیلئے اپنے گہرے جذبات کا اظہار کرتے ہیں۔ ہم کمپنی کی انتظامیہ اور معاون عملے کی تسلی بخش کارکردگی اور ڈیوٹی سے لگن کے لیے ان کی تعریف کرتے ہیں اور ہم تمام حکومتی اداروں، آڈیٹرز، SECP، PSX اور بینکوں کو ان کی قیمتی معاونت اور تعاون کے مشکور ہیں۔

شبیر دیوان	محمد اقبال بلوانی
چیف ایگزیکٹو آفیسر	ڈائریکٹر

تاریخ: 04 اکتوبر 2025ء

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GATRON (INDUSTRIES) LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Gatron (Industries) Limited**, and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025 and (of) its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Empasis of matter

We draw the attention to the contents of note 29.1.1 of the annexed consolidated financial statements relating to provision in respect of WPPF, the ultimate outcome whereof cannot be presently ascertained, and no provision for any liability, that may arise, has been made in the annexed consolidated financial statements, our opinion is not qualified in respect of this matter.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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CHARTERED ACCOUNTANTS

Following are the Key audit matters:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	**Recognition of Revenue** Revenue from sale of the Group's products was Rs. 26,328.04 million as disclosed in note 4.16 and 30. Revenue is recognized at point in time when performance obligations are satisfied by transferring control of promised goods to customer. Revenue being one of key performance indicator of the Group and there is inherit risk of material misstatement involved in revenue recognition has resulted in the revenue recognition being considered as a key audit matter.	Our audit procedures included the following: ➢ Assessed the appropriateness of the Group's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➢ Obtained an understanding of management's internal controls over the revenue process and tested effectiveness of controls relevant to such process. ➢ Performed cut-off procedures on sample basis on revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, invoices and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period. ➢ Performed test of details by selecting sample of transactions for comparing with sales invoices, dispatch documents and other underlying records; and ➢ Performed other related procedures and evaluated the appropriateness of disclosures in the consolidated financial statements in accordance with the requirements of the accounting and reporting standards applicable in Pakistan.

S. No.	Key audit matter(s)	How the matter was addressed in our audit
2	**Borrowings** The Group has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 16,026.04 million, being 65.94% of total liabilities, as at reporting date. Given the significant level of borrowings, finance costs and gearing impact, the disclosure given by the management in consolidated financial statements and compliance with various loan covenants, this is considered to be a key audit matter. (refer notes 4.14, 20 and 26 to the consolidated financial statements).	Our audit procedures included the following: ➢ Reviewed loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level. ➢ Verified disbursement of loans and utilization on sample basis. Reviewed charge registration documents. ➢ Verified repayments made by the Group during the year on sample basis to confirm that repayments are being made on time and no default has been made. ➢ Checked the Group's compliance with the debt covenants on sample basis as outlined in the loan agreements. ➢ Performed analytical procedures, recalculations and other related procedures for verification of finance costs on sample basis; and ➢ Ensured that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the consolidated financial statements.

KRESTON
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CHARTERED ACCOUNTANTS

Information Other than the consolidated Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the un-consolidated and consolidated financial statements and our auditors' report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 consolidated financial statements.

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

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 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 Group'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 Group'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 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Chartered Accountants
Karachi:
Dated: October 06, 2025
UDIN: AR202510729a5LwYrzH8

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		(Rupees in Thousand)	
ASSETS			
Non - Current Assets			
Property, plant and equipment	5	21,257,284	21,533,422
Intangible asset	6	50,127	60,152
Long term loans	7	3,023	9,532
Long term deposits	8	6,936	6,936
		21,317,370	21,610,042
Current Assets			
Stores, spare parts and loose tools	9	2,767,246	2,845,915
Stock in trade	10	7,313,274	7,503,024
Trade debts	11	4,662,811	3,516,225
Loans and advances	12	596,525	428,652
Current portion of long term loans	13	19,010	13,411
Trade deposits and short term prepayments	14	11,082	83,653
Other receivables	15	332,635	961,506
Advance income tax		-	70,000
Short term investments	16	-	296,297
Cash and bank balances	17	132,179	340,660
		15,834,762	16,059,343
TOTAL ASSETS		37,152,132	37,669,385
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	1,087,290	1,087,290
Reserves	19	11,761,639	13,719,826
		12,848,929	14,807,116
LIABILITIES			
Non - Current Liabilities			
Long term financing	20	7,628,310	8,507,127
Lease liability against right of use assets	21	71,666	107,749
Deferred liabilities and income	22	1,229,499	1,343,682
		8,929,475	9,958,558
Current Liabilities			
Trade and other payables	23	5,257,300	6,358,763
Unclaimed dividend		853	8,219
Unpaid dividend	24	20,801	20,801
Accrued mark-up/ profit	25	480,103	543,012
Short term borrowings	26	6,909,208	3,579,563
Current portion of long term financing	20	1,488,520	1,196,089
Current portion of lease liability against right of use assets	21	23,322	15,020
Current portion of deferred liabilities and income	27	976,055	981,914
Provision for levies and income tax less payments	28	217,566	200,330
		15,373,728	12,903,711
CONTINGENCIES AND COMMITMENTS	29		
TOTAL EQUITY AND LIABILITIES		37,152,132	37,669,385

The notes 1 to 50 annexed herewith form an integral part of these consolidated financial statements.

SHABBIR DIWAN	**MUHAMMAD IQBAL BILWANI**	**MUHAMMAD NAEEM**
Chief Executive Officer	Director	Chief Financial Officer

Buying/Selling closing conversion rates were 1 US$ = Rs.283.60/284.10, 1 Euro € = Rs.332.29/332.87 and 1 Pound £ = Rs.388.28/388.97

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in Thousand)	
Sales	30	26,328,040	34,013,581
Cost of sales	31	25,488,673	32,023,787
Gross profit		839,367	1,989,794
Distribution and selling costs	32	446,117	301,996
Administrative expenses	33	502,345	577,615
Other expenses	34	121,101	193,778
		1,069,563	1,073,389
		(230,196)	916,405
Other income	35	106,910	369,472
Operating (loss)/profit		(123,286)	1,285,877
Finance cost	36	1,550,896	1,622,256
		(1,674,182)	(336,379)
Investment income - Dividend	37	-	8,538
Loss before levies and income tax		(1,674,182)	(327,841)
Levies	38	329,842	424,411
Loss before income tax		(2,004,024)	(752,252)
Income tax - Current & prior		10,657	(93,157)
- Deferred		-	(219,047)
	39	10,657	(312,204)
Loss for the year		(2,014,681)	(440,048)
Loss per share - Basic and diluted (Rupees)	40	(18.53)	(5.07)

The notes 1 to 50 annexed herewith form an integral part of these consolidated financial statements.

SHABBIR DIWAN	MUHAMMAD IQBAL BILWANI	MUHAMMAD NAEEM
Chief Executive Officer	Director	Chief Financial Officer

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in Thousand)	2024 (Rupees in Thousand)
Loss for the year		**(2,014,681)**	(440,048)
Other comprehensive income			
Items that will never be reclassified to statement of profit or loss			
Gain on remeasurement of defined benefit plan having nil tax impact	**22.2**	**56,494**	38,473
Total comprehensive loss		**(1,958,187)**	(401,575)

The notes 1 to 50 annexed herewith form an integral part of these consolidated financial statements.

SHABBIR DIWAN	MUHAMMAD IQBAL BILWANI	MUHAMMAD NAEEM
Chief Executive Officer	Director	Chief Financial Officer

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	(Rupees in Thousand)					
		Reserves				
	Share capital	Capital reserves (note 19)	General reserve	(Accumulated loss)/ Unappropriated profit	Sub Total	Total
Balances as at July 01, 2023	767,290	6,383,645	285,000	2,179,798	8,848,443	9,615,733
Total comprehensive loss for the year ended June 30, 2024						
Loss for the year	-	-	-	(440,048)	(440,048)	(440,048)
Other comprehensive income	-	-	-	38,473	38,473	38,473
	-	-	-	(401,575)	(401,575)	(401,575)
Transactions with owners						
Subscription of shares against right issue @41.7052% at a premium of Rs.165 per share	320,000	5,280,000	-	-	5,280,000	5,600,000
Shares issue cost	-	(7,042)	-	-	(7,042)	(7,042)
Balances as at June 30, 2024	1,087,290	11,656,603	285,000	1,778,223	13,719,826	14,807,116
Total comprehensive loss for the year ended June 30, 2025						
Loss for the year	-	-	-	(2,014,681)	(2,014,681)	(2,014,681)
Other comprehensive income	-	-	-	56,494	56,494	56,494
	-	-	-	(1,958,187)	(1,958,187)	(1,958,187)
Balances as at June 30, 2025	**1,087,290**	**11,656,603**	**285,000**	**(179,964)**	**11,761,639**	**12,848,929**

The notes 1 to 50 annexed herewith form an integral part of these consolidated financial statements.

SHABBIR DIWAN	MUHAMMAD IQBAL BILWANI	MUHAMMAD NAEEM
Chief Executive Officer	Director	Chief Financial Officer

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in Thousand)	2024 (Rupees in Thousand)
Cash flows (towards)/from Operating Activities			
Loss before levies and income tax		(1,674,182)	(327,841)
Adjustments for non cash income & expenses:			
Depreciation on property, plant and equipment	5.2	1,704,344	1,020,403
Depreciation on right of use assets	5.6.1	24,639	23,720
Amortization of intangible asset	6	10,025	10,025
Provision for defined benefit plan	22.2	144,952	131,243
Gain on disposal of property, plant and equipment	35	(23,758)	(22,774)
Impairment of allowance for ECL-net	11.5	45,761	52,641
Impairment allowance for slow moving stores, spare parts and loose tools-net	34	21,411	28,755
Remeasurement gain on discounting of provision for GIDC	35	(11,008)	(118,813)
Investment income - Dividend	37	-	(8,538)
Finance costs	36	1,550,896	1,622,256
		3,467,262	2,738,918
		1,793,080	2,411,077
(Increase)/decrease in current assets:			
Stores, spare parts and loose tools		57,258	(703,242)
Stock in trade		189,750	3,883,715
Trade debts		(1,192,347)	406,923
Loans and advances		(167,873)	78,820
Trade deposits and short term prepayments		72,571	321,303
Other receivables		628,871	1,030,536
		(411,770)	5,018,055
Decrease in trade and other payables		(1,090,226)	(3,400,353)
Cash flows from operations		291,084	4,028,779
Receipts of/(payments for):			
Long term loans		910	(7,179)
Long term deposits		-	(2,017)
Defined benefit plan	22.2	(41,473)	(36,786)
Finance costs		(1,599,439)	(1,939,145)
Income tax		(253,263)	(358,907)
Net cash flows (towards)/from operating activities		(1,602,181)	1,684,745
Cash flows (towards)/from Investing Activities			
Additions in property, plant and equipment		(1,485,069)	(2,779,203)
Proceeds from disposal of property, plant and equipment	5.3	48,503	45,718
Decrease/(increase) in short term investments	16	296,297	(296,297)
Dividend received	37	-	8,538
Net cash flows towards investing activities		(1,140,269)	(3,021,244)
Cash flows (towards)/from Financing Activities			
Proceed against issue of share capital net of issuance cost		-	5,592,958
Long term financing - proceeds received		286,053	1,420,696
Long term financing - repayments		(1,039,695)	(780,620)
Payments for lease liability against right of use assets		(34,668)	(32,271)
Short term borrowings - net (fixed term instruments)		142,609	(635,175)
Dividend paid		(7,366)	(12,836)
Net cash flows (towards)/from financing activities		(653,067)	5,552,752
Net (decrease)/increase in cash and cash equivalents		(3,395,517)	4,216,253
Cash and cash equivalents at the beginning of the year		(3,074,078)	(7,290,331)
Cash and cash equivalents at the end of the year	41	(6,469,595)	(3,074,078)

The notes 1 to 50 annexed herewith form an integral part of these consolidated financial statements.

SHABBIR DIWAN	MUHAMMAD IQBAL BILWANI	MUHAMMAD NAEEM
Chief Executive Officer	Director	Chief Financial Officer

1 THE GROUP AND ITS OPERATIONS

The Group consists of :

Gatron (Industries) Limited - Parent Company
Gatro Power (Private) Limited - Subsidiary Company
Global Synthetics Limited - Subsidiary Company
G-Pac Energy (Private) Limited - Subsidiary Company

The Parent Company was incorporated in Pakistan in 1980 as a Public Limited Company and its shares are being quoted at Pakistan Stock Exchange Limited since 1992. The principal business of the Parent Company is manufacturing of Polyester Filament Yarn through its self-produced Polyester Polymer/Chips. The Parent Company also produces Pet Preforms. The registered office of the Parent Company is situated at Room No. 32, 1st floor, Ahmed Complex, Jinnah Road, Quetta whereas the manufacturing facility of the Parent 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. Liaison office of the Parent Company is situated at 11th floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi and 2nd floor, Bahria Complex-I, M.T. Khan Road, Karachi.

Gatro Power (Private) Limited is a wholly owned subsidiary of Gatron (Industries) Limited. The principal business of the Subsidiary Company is to generate and sales electric power. The registered office of the Subsidiary Company is situated at Room No. 32, 1st floor, Ahmed Complex, Jinnah Road, Quetta. The plant of the Subsidiary 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 Subsidiary Company is situated at 11th floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi.

Global Synthetics Limited is a wholly owned subsidiary of Gatron (Industries) Limited, which has yet to commence its operations. The registered office of the Company has been changed from Room No.50, 2nd Floor, Ahmed Complex, Jinnah Road, Quetta to 11th Floor, G&T Tower, #18 Beaumont Road, Civil Lines-10, Karachi. The liaison office of the Company is situated at 11th Floor, G&T Tower, #18 Beaumont Road, Civil Lines-10, Karachi.

G-Pac Energy (Private) Limited is a wholly owned subsidiary of Gatron (Industries) Limited, which has commence its operations from January 2025. The principal business of the Subsidiary Company is to generate and sale electric power. The registered office of the Company has been changed from Room no. 32, 1st floor, Ahmed Complex, Jinnah Road, Quetta to 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi. The liaison office of the Subsidiary Company is situated at 11th floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi.

2 BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Parent Company Gatron (Industries) Limited, Subsidiary Companies Gatro Power (Private) Limited, Global Synthetics Limited and G-Pac Energy (Private) Limited. The financial statements of the Parent and Subsidiary Companies are prepared upto the same reporting date using consistent accounting policies. Assets and liabilities of the subsidiaries have been consolidated on line by line basis and the carrying value of investment held by Parent Company is eliminated against the subsidiaries share capital, intra Group balances and transactions are eliminated.

3 BASIS OF PREPARATION

3.1 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except otherwise specifically stated in note 4.

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

3.2 Functional and reporting currency

These consolidated financial statements are presented in Pakistani Rupee (Rupees), which is the Group's functional currency.

3.3 Statement of compliance

These 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.

3.4 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2025

3.4.1 Standards, interpretations and amendments to published approved accounting standards that became effective during the year

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 Group's operations, therefore, not disclosed in these consolidated financial statements exept for additional disclosures required by amendment in IAS-1 relating to classification of non-current liabilities (refer note 42.3).

3.4.2 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 Group's operations or are not expected to have significant impact on the Group's 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

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 June 30, 2025.

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
IFRS - S1	General requirements for Disclosure of Sustainability-related Financial Information
IFRS - S2	Climate-related Disclosure
IFRIC - 12	Service Concession Arrangement

3.5 Critical Accounting Estimates and Judgments

The preparation of 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.

Information about estimates and judgements made in applying accounting policies that have the significant effects on the amounts recognized in consolidated financial statements are as follows:

3.5.1 Property, plant and equipment and Intangible asset

The Group's management reviews the estimated useful lives and related depreciation/amortization charge for its property, plant and equipment and intangible asset on each reporting date. The Group 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, if any.

3.5.2 Impairment of financial assets

The Group reviews the recoverability of its financial assets i.e. trade debts, loans, deposits, short term investments, and other receivables to assess amount of expected credit loss required there against on annual basis. While determining impairment allowance, the Group considers financial health, market and economic information, aging of receivables, credit worthiness, credit rating, lifetime expected losses, past records and business relationship.

3.5.3 **Stock in trade**

The Parent 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.

3.5.4 **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, obsolescence and expected use, 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.

3.5.5 **Defined benefit plan**

The actuarial valuation of defined benefit plan, have been premised on certain actuarial hypothesis, as disclosed in note 4.8.2 and 22.2. Changes in assumptions in future years may affect the liability under this scheme upto those years.

3.5.6 **Levies**

The Group takes into account the current income tax law, legislations and decisions taken by the taxation authorities for determination of levies. These include determining the specific obligating event that triggers levy recognition based on the relevant legislation, estimating the amount payable by considering applicable rates, and deciding the appropriate timing for recognizing the levy liability. These estimates and judgements are periodically reviewed and updated as necessary.

3.5.7 **Income tax**

In making the estimate for income tax 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 4.11.

3.5.8 **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 Group, 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).

3.5.9 **Leases**

The Group 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.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are the same as those consistently applied in the preparation of the consolidated financial statements of the Company for the year ended June 30, 2024. The principal material policies applied in the preparation of these consolidated financial statements are set out below:

4.1 Property, plant and equipment

Initial Recognition:

The cost of an item is recognized as an asset if and only the future economic benefits associated with the items will flow to the Group and cost of the items can be measured reliably.

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.

When parts of an item of property, plant and equipment have different useful life, they are accounted as separate items (major component) of property, plant & equipment.

Subsequent costs:

Subsequent costs (including those on account of major replacement of significant part/item) 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 normal repair and maintenance incurred are recognized in consolidated statement of profit or loss.

Depreciation:

Depreciation is charged on diminishing balance method except overhauling (major parts), which are depreciated at straight line method, at the rates mentioned in Note 5.1, 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.

Impairment:

The carrying amounts of the Group'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 consolidated 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 recognized in the consolidated 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 of 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 Group at the end of the lease term or if the cost of the asset reflects that the Group will exercise the purchase option, depreciation is charged over the useful life of assets.

4.2 Intangible Asset

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 asset is 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.

4.3 Impairment

Financial assets

The Group recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Group 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 Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group 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 Group 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 Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respects to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group 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 Group'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 Group'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 consolidated statement of profit or loss.

4.4 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 3.5.4. The major value spares and stand by equipments are capitalized and depreciated according to their useful life.

4.5 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.

4.6 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 Parent 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.

4.7 Cash and cash equivalents

For the purpose of Consolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and running finance. Running finance are shown within short term borrowings.

4.8 Employees' post employment benefits

4.8.1 Defined contribution plan

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

4.8.2 Defined benefit plan

The Group 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 June 30, 2025.

4.9 Compensated unavailed leaves

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

4.10 Government scheme

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

Schemes that compensate the Group 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.

4.11 Income Tax

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 Parent 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.

Profits and gains derived by the Subsidiary Company i.e. Gatro Power (Private) Limited from electric power generation project are exempt from income tax under clause 132 of Part-I of the Second Schedule to the Income Tax Ordinance, 2001.The Subsidiary Company is also exempt from minimum tax on turnover under section 113 as per clause 11 (V) of the Part-IV of Second Schedule to the Income Tax Ordinance, 2001.

Deferred

The Parent 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.

4.12 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.

4.13 Provision

Provision is recognized when the Group 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.

4.14 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.

4.15 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 consolidated statement of profit or loss.

4.16 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group 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.

4.17 Earnings per share

The Group 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 Group 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.

4.18 Dividend and appropriation to reserve

Liability for dividend and appropriation to reserve are recognized in the 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.

4.19 Financial instruments

Initial measurement of financial asset
The Group 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.

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.

4.20 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.

4.21 Offsetting of financial assets and financial liabilities

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

4.22 Operating segments

Segment results that are reported to the Group'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 have the total cost incurred during the year to acquire property, plant and equipment. Segment results are stated in note 44.

4.23 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.

4.24 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 Group'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.

	Note	(Rupees in Thousand) 2025	2024
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	19,391,804	15,178,047
Capital work in progress	5.5	1,788,773	6,229,325
Right of use assets	5.6	76,707	108,825
Advance for purchase of land	29.3.1	-	17,225
		21,257,284	21,533,422

5.1 Operating fixed assets

Particulars	Land		Building		Office premises	Plant and machinery	Furniture and fixtures	Factory equipment	Office equipment	Motor vehicles	Overhauling of generators	TOTAL
	(Rupees in Thousand)											
	Freehold	Leasehold	On freehold land	On leasehold land								
Net carrying value												
Year ended June 30, 2025												
Net book value (NBV) as at 01st July, 2024	186,068	47,265	351	1,272,183	726	13,192,744	2,130	105,238	10,359	283,750	77,233	15,178,047
Additions-Direct	169,525	-	-	-	-	12,516	-	5,299	1,009	57,041	-	245,390
Transfer from capital work in progress (note 5.5)	-	-	283,141	488,873	-	4,891,587	-	-	-	-	33,855	5,697,456
Less: Disposal at NBV (note 5.3)	-	-	-	-	60	3,259	-	-	-	21,426	-	24,745
Less: Depreciation (note 5.2)	-	-	16,552	134,724	70	1,440,113	426	21,728	2,650	58,108	29,973	1,704,344
Net book value as at 30th June 2025	355,593	47,265	266,940	1,626,332	596	16,653,475	1,704	88,809	8,718	261,257	81,115	19,391,804
Gross carrying value												
At June 30, 2025												
Cost	355,593	47,265	297,389	2,428,942	3,571	26,568,714	6,097	200,620	26,297	503,083	453,911	30,891,482
Less: Accumulated depreciation	-	-	30,449	802,610	2,975	9,915,239	4,393	111,811	17,579	241,826	372,796	11,499,678
Net book value	355,593	47,265	266,940	1,626,332	596	16,653,475	1,704	88,809	8,718	261,257	81,115	19,391,804
Depreciation rate % per annum	-	-	10	10	10	10 to 30	20	20	20 to 30	20	10 to 30	
Net carrying value												
Year ended June 30, 2024												
Net book value (NBV) as at 01st July, 2023	53,483	47,265	390	789,625	807	6,002,410	2,663	47,028	12,808	183,816	112,475	7,252,770
Additions-Direct	132,585	-	-	-	-	72,993	-	73,642	2,614	170,327	-	452,161
Transfer from capital work in progress (note 5.5)	-	-	-	578,844	-	7,937,619	-	-	-	-	-	8,516,463
Less: Disposal at NBV (note 5.3)	-	-	-	-	-	-	-	-	2,333	20,611	-	22,944
Less: Depreciation (note 5.2)	-	-	39	96,286	81	820,278	533	15,432	2,730	49,782	35,242	1,020,403
Net book value as at 30th June, 2024	186,068	47,265	351	1,272,183	726	13,192,744	2,130	105,238	10,359	283,750	77,233	15,178,047
Gross carrying value												
At June 30, 2024												
Cost	186,068	47,265	14,248	1,940,069	3,921	21,735,568	6,097	195,321	25,288	491,218	420,056	25,065,119
Less: Accumulated depreciation	-	-	13,897	667,886	3,195	8,542,824	3,967	90,083	14,929	207,468	342,823	9,887,072
Net book value	186,068	47,265	351	1,272,183	726	13,192,744	2,130	105,238	10,359	283,750	77,233	15,178,047
Depreciation rate % per annum	-	-	10	10	10	10 to 30	20	20	20 to 30	20	10 to 30	

5.2 Depreciation for the year has been allocated as follows:

	Note	(Rupees in Thousand)	
		2025	2024
Cost of sales	31	1,692,497	1,006,231
Distribution and selling costs	32	2,749	2,151
Administrative expenses	33	9,098	12,021
		1,704,344	1,020,403

5.3 Detail of property, plant and equipment disposed off during the year : (Rupees in Thousand)

Description	Cost	Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyers
OFFICE PREMISES						
Items having book value upto Rs.500 thousand each	350	60	3,000	2,940	Negotiation	Various
Sub Total	**350**	**60**	**3,000**	**2,940**		
PLANT AND MACHINERY						
TRANSFORMER 3000KVA	3,760	853	1,938	1,085	Negotiation	**M/s. Gencom Spares & Service** Sector-6F, Mehran Town Korangi Industrial Area, Karachi.
COOLING TOWER	34,709	1,737	3,184	1,447	Negotiation	**M/s. Ismail Kabeer Ahmed** Jahangirabad, Nazimabad, Karachi.
Items having book value upto Rs.500 thousand each	32,489	669	5,509	4,840	Various	Various
Sub Total	**70,958**	**3,259**	**10,631**	**7,372**		
MOTOR VEHICLES						
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 Jallawala** 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
TOYOTA ALTIS BQR-137	3,155	932	1,735	803	Company Policy	**Mr. Muhammad Naeem** Employee of the company
SUZUKI WAGON-R VXL BRF-619	1,625	519	1,620	1,101	Company Policy	**Mr. Jahangir** Employee of the company
CAR CHANGAN ALSVIN BZF-377	3,849	2,833	3,650	817	Company Policy	**Mr. Khurram Nawab** Employee of the company
Items having book value upto Rs.500 thousand each	16,373	3,562	11,062	7,500	Various	Various
Sub Total	**45,176**	**21,426**	**34,872**	**13,446**		
Total - 2025	**116,484**	**24,745**	**48,503**	**23,758**		
Total - 2024	64,818	22,944	45,718	22,774		

5.4 Particulars of immovable properties owned by the Company are as follows :

Particulars	Location	Approximate Area
Land		
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 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	39 Acres
Building		
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	171,475 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
Office Premises	Office#207-212, Gul Tower, I.I Chundrigar Road, Karachi	225 Sq. Meters
Office Premises	Room#32, Ahmed Complex, Jinnah Road, Quetta	30 Sq. Meters
Office Premises	Madina Plaza, Katcheri Bazar, Faisalabad	160 Sq. Meters

5.5 **Capital Work-in-Progress**

	(Rupees in Thousand)			
	Balance as at July 1, 2024	Additions	Transfer to Operating fixed assets	Balance as at June 30, 2025
Factory building under construction	755,455	16,559	(772,014)	-
Plant and machinery under erection	5,473,870	1,240,345	(4,925,442)	1,788,773
	6,229,325	1,256,904	(5,697,456)	1,788,773
	Balance as at July 1, 2023	Additions	Transfer to Operating fixed assets	Balance as at June 30, 2024
Factory building under construction	956,303	377,996	(578,844)	755,455
Plant and machinery under erection	11,464,868	1,946,621	(7,937,619)	5,473,870
	12,421,171	2,324,617	(8,516,463)	6,229,325

5.5.1 It includes borrowing cost of Rs.1.948 million (2024: Rs.388.970 million) and net of with amortization of government scheme amounting to Rs.Nil (2024: Rs.138.483 million). Effective rate of borrowing cost ranges between 11.21% to 12.14% (2024: 3% to 22.80%).

		Note	(Rupees in Thousand) 2025	2024
5.6	**Right of use assets**			
	Rented Premises:			
	Balance as at start of the year		108,825	-
	Additions during the year		-	132,545
	Effect of lease modification during the year		(7,479)	-
	Depreciation for the year	5.6.1	(24,639)	(23,720)
	Balance as at end of the year		76,707	108,825
5.6.1	**Allocation of depreciation**			
	Distribution and selling costs	32	8,368	5,579
	Administrative expenses	33	16,271	18,141
			24,639	23,720
6	**INTANGIBLE ASSET**			
	Software & licences			
	Balance as at start of the year		60,152	70,177
	Amortization during the year	33	(10,025)	(10,025)
	Balance as at end of the year		50,127	60,152
	Useful life		8 Years	8 Years

		Note	(Rupees in Thousand) 2025	2024
7	**LONG TERM LOANS - Considered good**			
	Secured - Interest free			
	To employees other than Chief Executive & Directors	7.1 & 7.2	22,033	22,943
	Amount due in twelve months shown under current assets	13	(19,010)	(13,411)
	Recoverable within three years		3,023	9,532

7.1 The above loans are under the terms of employment and are secured against the post employment benefits of the employees.

7.2 Interest free long term loans have been carried out at cost as the effect of carrying these balances at amortized cost is not material.

		Note	2025	2024
8	**LONG TERM DEPOSITS**			
	Security deposits for utilities and others		6,936	6,936
9	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	In hand:			
	Stores		1,151,966	1,070,250
	Spare parts		1,773,832	1,910,751
	Loose tools		15,396	15,008
			2,941,194	2,996,009
	Impairment allowance for slow moving stores, spare parts and loose tools	9.1	(176,882)	(155,471)
			2,764,312	2,840,538
	In transit		2,934	5,377
			2,767,246	2,845,915
9.1	**Impairment allowance for slow moving stores, spare parts and loose tools**			
	Balance as at start of the year		155,471	126,716
	Impairment allowance for the year	34	21,411	28,755
	Balance as at end of the year		176,882	155,471
10	**STOCK IN TRADE**			
	Raw and packing material		1,097,642	2,255,082
	Raw and packing material in transit		327,624	4,122
	Goods in process		1,993,722	1,392,301
	Unfinished goods held for sale		1,206	32,744
	Finished goods	10.1	3,893,080	3,818,775
			7,313,274	7,503,024

10.1 These include items costing Rs.78.767 million (2024: Rs.90.368 million) valued at net realizable value of Rs.60.889 million (2024: Rs.74.586 million).

		Note	2025	2024
11	**TRADE DEBTS**			
	Considered good			
	Secured - Export	11.1, 11.2 & 11.3	60,777	38,146
	Unsecured - local	11.4	4,602,034	3,478,079
			4,662,811	3,516,225
	Allowance for ECL - local			
	Unsecured - local		216,581	170,820
	Allowance for ECL - local	11.5	(216,581)	(170,820)
			-	-
			4,662,811	3,516,225

11.1 These represent balances of US$ 0.214 million (2024: US$ 0.137 million).

11.2 These include Rs.60.390 million (2024: Rs.0.415 million) due from a related party Messrs. G-Pac Corporation and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.170.030 million (2024: Rs.0.415 million).

11.3 These are secured against letters of credit issued by banks in favour of the Parent Company.

11.4 These includes related parties balances are as follows:

a) These include Rs.940.978 million (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 year was Rs.940.978 million (2024: Rs.923.309 million).

b) These include Rs.Nil (2024: Rs.15.431 million) due from a related party Messrs. Krystalite Products (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.15.431 million (2024: Rs.117.848 million).

	Note	(Rupees in Thousand) 2025	2024
Not past due		-	8
Past due 31-90 days		-	15,328
Above 90 days		-	95
		-	15,431

c) These include Rs.Nil (2024: Rs.Nil) due from a related party Messrs. Mushtaq & Company (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.Nil (2024: Rs.1.296 million).

d) These include Rs.294.067 million (2024: Rs.180.901 million) due from a related party Messrs. Mustaqim Dyeing &Printing Ind (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.312.023 million (2024: Rs.257.035 million).

	Note	2025	2024
Not past due		13,870	12,216
Past due 1-30 days		15,036	41,617
Past due 31-90 days		27,251	71,599
Past due 91-180 days		44,657	52,214
Past due 180 days		193,253	3,255
		294,067	180,901

11.5 Allowance for ECL - local

	Note	2025	2024
Balance as at start of the year		170,820	118,179
Charge for the year		134,351	162,872
Reversals since recovered		(88,590)	(110,231)
Charge for the year - net	34	45,761	52,641
Balance as at end of the year		216,581	170,820

12 LOANS AND ADVANCES - Considered good

	Note	2025	2024
Secured			
Advances to employees	12.1	3,506	4,317
Unsecured			
Advances:			
to suppliers and contractors	12.2	586,068	408,264
for imports		6,951	16,071
		593,019	424,335
		596,525	428,652

12.1 These represent advances against monthly salary under the terms of employment.

12.2 These include advances against purchase of vehicles Rs.5.665 million (2024: Rs.4.216 million).

13 CURRENT PORTION OF LONG TERM LOANS

	Note	2025	2024
Secured			
Loan recoverable in twelve months from employees	7	19,010	13,411

14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2025	2024
Margins held by banks	14.1	8,265	38,742
Security deposits		300	39,999
Prepayments		2,517	4,912
		11,082	83,653

14.1 This represents margin held by bank against Letters of Credit.

		Note	(Rupees in Thousand) 2025	2024
15	**OTHER RECEIVABLES - Considered good**			
	Receivable from suppliers	15.1	118,401	130,810
	Claims receivable from supplier		7,531	7,357
	Sales tax		130,964	704,984
	Partial alleged sales tax demand paid	29.1.5, 29.1.16, 29.1.18 & 29.1.29	30,483	30,483
	Partial alleged income tax demand paid	29.1.13 & 29.1.20	43,169	43,169
	Others	15.2 & 15.3	2,087	44,703
			332,635	961,506

15.1 These includes balances receivable

a) These include Rs.11.445 million (2024: Rs.11.545 million) receivable from a related party Messrs. Lotte Chemical Pakistan Limited on account of price settlement and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.24.918 million (2024: Rs.11.545 million).

b) These includes balances receivable in foreign currency of US$ 0.357 million & Euro:0.017 million (2024: US$ 0.429 million

15.2 These includes related parties balances are as follows

a) These include Rs.Nil (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 year end. The maximum aggregate amount due at any month end during the year was Rs.175.499 million (2024 Rs.175.340 million).

b) These include Rs.0.011 million (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 year end. The maximum aggregate amount due at any month end during the year was Rs.2.459 million (2024: Rs.2.784 million).

c) These include Rs.Nil (2024: Rs.Nil) receivable from a related party Messrs. Gani & Tayub (Private) Limited and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.Nil (2024: Rs.1.126 million).

d) These include Rs.0.116 million (2024: Rs.0.050 million) receivable from a related party Messrs. Nova Mobility (Private) Limited and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.0.150 million (2024: Rs.0.050 million).

15.3 These include Rs.Nil (2024: Rs.10.886 million) receivable from Custom Authority against excess custom duty paid during the yea

		Note	2025	2024
16	**SHORT TERM INVESTMENTS**			
	Term deposit receipt		-	296,297

16.1 This carries profit rate @20.67% and matured on July 30, 2024.

		Note	2025	2024
17	**CASH AND BANK BALANCES**			
	Cash in hand		2,728	3,861
	Cash at banks			
	In current accounts : Local currency		90,875	130,888
	In saving accounts : Local currency	17.1	1,711	1,574
	In current accounts : Foreign currency	17.2	36,865	204,337
		17.3	129,451	336,799
			132,179	340,660

17.1 These include security deposits received from contractors Rs.1.605 million (2024 Rs.1.535 million) refer note 23.7. These carries profit ranging from 5.00% to 19.26%.

17.2 These represent balances of US$ 129,252.57 and Euro € 629.98 (2024: US$ 733,557.41 and Euro € 629.98).

17.3 Balance in bank accounts includes an amount of Rs.57.777 million (2024: Rs.169.935 million) kept with Shariah compliant bank

18 **SHARE CAPITAL**

	(Number of Shares) 2025	2024		2025	2024
18.1	**Authorized capital**				
	130,000,000	130,000,000	Ordinary shares of Rs.10 each	1,300,000	1,300,000
18.2	**Issued, subscribed and paid up capital**				
	62,136,080	62,136,080	Ordinary shares of Rs.10 each allotted for consideration paid in cash	621,361	621,361
	46,592,880	46,592,880	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	465,929	465,929
	108,728,960	108,728,960		1,087,290	1,087,290

18.2.1 These include 3,240,774 (2024: 3,240,774) shares held by a related party, Messrs. Gani & Tayub (Private) Limited, 31,895,139 (2024: Nil) shares held by associated companies Messrs. Novatex Limited and Nil (2024: 31,895,139) shares held by Messrs. Nova Frontiers Limited.

		Note	(Number of shares) 2025	2024
18.3	**Movement in number of shares**			
	Opening balance		**108,728,960**	76,728,960
	Right shares issued during the year		**-**	32,000,000
	Closing balance		**108,728,960**	108,728,960

All ordinary shares rank equally with regard to the Parent Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Parent Company.

		Note	(Rupees in Thousand) 2025	2024
19	**RESERVES**			
	These includes Capital Reserves as follows:			
	Share premium	**19.1**	**5,656,603**	5,656,603
	Capital expenditure and BMR	**19.2**	**6,000,000**	6,000,000
	Capital reserves		**11,656,603**	11,656,603

19.1 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.

19.2 The Board of Directors of the Parent 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 BMR to more accurately reflect the nature of these reserves.

		Note	2025	2024
20	**LONG TERM FINANCING - Secured**			
	from banking companies Under Shariah compliant			
	Meezan Bank Limited	**20.1**	**1,568,687**	1,876,836
	Dubai Islamic Bank Pakistan Limited	**20.2**	**46,608**	54,815
	United Bank Limited	**20.3**	**1,422,957**	1,353,117
	Bank Al-Falah Limited	**20.4**	**792,860**	894,258
	Meezan Bank Limited	**20.5**	**1,137,056**	1,348,376
	Habib Metropolitan Bank Limited	**20.6**	**78,684**	80,006
	Faysal Bank Limited	**20.7**	**154,207**	178,018
	Faysal Bank Limited	**20.8**	**981,001**	1,123,815
	Habib Bank Limited	**20.9**	**2,222,623**	2,116,194
	Bank Al-Habib Limited	**20.10**	**116,188**	120,031
	First Habib Modaraba	**20.11**	**333,630**	430,470
	Soneri Bank Limited	**20.12**	**31,852**	27,280
	Bank Al-Habib Limited	**20.13**	**90,000**	100,000
	MCB Islamic Bank Limited	**20.14**	**140,477**	-
			9,116,830	9,703,216
	Current maturity shown under current liabilities		**(1,488,520)**	(1,196,089)
			7,628,310	8,507,127

20.1 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.2,500 million out of which Rs.2,465.193 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

	(Rupees in Thousand)	
	2025	2024
Balance as at start of the year	1,876,836	2,184,985
Repayments during the year	(308,149)	(308,149)
Balance as at end of the year	1,568,687	1,876,836

20.2 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.120 million out of which Rs.88.204 million (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. These loans are secured against the hypothecation charge over specific plant and machinery (solar equipments).

Balance as at start of the year	54,815	67,250
Repayments during the year	(8,207)	(12,435)
Balance as at end of the year	46,608	54,815

20.3 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.2,200 million out of which Rs.2,200 million (2024: Rs.2,200 million) having present value of Rs.1,422.957 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	1,353,117	1,396,382
Amortization of government scheme	129,360	115,838
Repayments during the year	(59,520)	(159,103)
Balance as at end of the year	1,422,957	1,353,117

20.4 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.1,000 million out of which Rs.1,000 million (2024: Rs.1,000 million) having present value of Rs.792.860 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	894,258	905,805
Amortization of government scheme	16,140	15,609
Repayments during the year	(117,538)	(27,156)
Balance as at end of the year	792,860	894,258

20.5 This represents Diminishing Musharakah amounting to Rs.1,900 million out of which Rs.1,554.482 million (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%. These loans are secured by way of specific hypothecation charge over plant and machinery.

Balance as at start of the year	1,348,376	1,554,482
Repayments during the year	(211,320)	(206,106)
Balance as at end of the year	1,137,056	1,348,376

20.6 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.120 million out of which Rs.119.904 million (2024: Rs.119.904 million) having present value of Rs.78.684 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	80,006	76,165
Amortization of government scheme	6,849	6,068
Repayments during the year	(8,171)	(2,227)
Balance as at end of the year	78,684	80,006

20.7 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.280 million out of which Rs.217.113 million (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. These loans are secured against the specific hypothecation charge over plant and machinery (solar equipments).

	(Rupees in Thousand)	
	2025	**2024**
Balance as at start of the year	**178,018**	198,039
Repayments during the year	**(23,811)**	(20,021)
Balance as at end of the year	**154,207**	178,018

20.8 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.1,200 million out of which Rs.1,142.508 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**1,123,815**	1,142,508
Repayments during the year	**(142,814)**	(18,693)
Balance as at end of the year	**981,001**	1,123,815

20.9 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.3,000 million out of which Rs.2,255.522 million (2024: Rs.2,116.194 million) obtained during June 2022 to March 2025 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 March 2035 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.2,230.085 million under ILTFF Scheme, therefore bank is charging profit at 3 months KIBOR+0.25% on those disbursements. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**2,116,194**	1,279,978
Obtained during the year	**139,328**	836,216
Repayments during the year	**(32,899)**	-
Balance as at end of the year	**2,222,623**	2,116,194

20.10 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.200 million out of which Rs.200 million (2024: Rs.200 million) having present value of Rs.116.188 million (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. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**120,031**	106,279
Amortization of government scheme	**14,907**	13,752
Repayments during the year	**(18,750)**	-
Balance as at end of the year	**116,188**	120,031

20.11 This represents Diminishing Musharakah amounting to Rs.508 million out of which Rs.457.200 million (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%. These loans are secured by way of specific hypothecation charge over plant and machinery.

Balance as at start of the year	**430,470**	-
Loan obtained during the year	**-**	457,200
Repayments during the year	**(96,840)**	(26,730)
Balance as at end of the year	**333,630**	430,470

20.12 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.38 million out of which Rs.33.528 million (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. These loans are secured against the specific hypothecation charge over plant and machinery (solar equipments).

	(Rupees in Thousand)	
	2025	2024
Balance as at start of the year	27,280	-
Loan obtained during the year	6,248	27,280
Repayments during the year	(1,676)	-
Balance as at end of the year	31,852	27,280

20.13 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.100 million out of which Rs.100 million (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. These loans are secured against the specific hypothecation charge over plant and machinery (solar equipments).

Balance as at start of the year	100,000	-
Loan obtained during the year	-	100,000
Repayments during the year	(10,000)	-
Balance as at end of the year	90,000	100,000

20.14 This represents Diminishing Musharakah amounting to Rs.300 million out of which Rs.140.477 million (2024: Rs.Nil) obtained during April 2025 to June 2025 for purchase of plant and machinery (solar equipment). Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during April 2035 to June 2035 on their respective maturities. The applicable rate of profit is 6 months KIBOR+0.05%. These loans are secured by way of specific hypothecation charge over plant and machinery.

Loan obtained during the year	140,477	-
Balance as at end of the year	140,477	-

21 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Balance as at start of the year	122,769	-
Additions during the year	-	132,545
Effect of lease modification during the year	(7,479)	-
Accretion of interest	14,366	22,495
Payment of lease liabilities	(34,668)	(32,271)
	94,988	122,769
Current maturity shown under current liabilities	(23,322)	(15,020)
Balance as at end of the year	71,666	107,749

	(Rupees in Thousand)			
	2025		2024	
	Minimum Lease Payments	Present Value of Lease Payments	Minimum Lease Payments	Present Value of Lease Payments
Lease liabilities are payable as follows:				
Within one year	36,994	23,322	38,263	15,020
Later than one year and not later than five years	85,740	71,666	143,366	107,749
Total minimum lease payments	122,734	94,988	181,629	122,769
Less: Financial charges allocated to future periods	(27,746)	-	(58,860)	-
Present value of minimum lease payments	94,988	94,988	122,769	122,769
Less: Current portion of lease liabilities	(23,322)	(23,322)	(15,020)	(15,020)
	71,666	71,666	107,749	107,749

		Note	(Rupees in Thousand) 2025	2024
22	DEFERRED LIABILITIES AND INCOME			
	Deferred Liabilities			
	Deferred tax - net	22.1	-	-
	Defined benefit plan	22.2	673,916	626,931
	Provision for Gas Infrastructure Development Cess (GIDC)	22.3	-	-
	Deferred income			
	Deferred Income - Government scheme	22.4	555,583	716,751
			1,229,499	1,343,682

22.1 This comprises of the following major timing differences:

	2025	2024
Taxable temporary difference arising due to:		
tax depreciation allowances	1,550,630	1,077,973
right of use asset	27,547	35,603
Deductible temporary difference arising due to:		
Impairment allowance for ECL	(62,808)	(49,538)
Impairment allowance for slow moving stores, spare parts and loose tools	(38,006)	(33,663)
Tax losses adjustable against future tax liability	(1,477,363)	(1,030,375)
	-	-

22.1.1 **Movement in deferred tax**

	Note	2025	2024
Balance as at start of the year		-	219,047
Reversal for the year	39	-	(219,047)
Balance as at end of the year		-	-

At the reporting date, deferred tax asset amounting to Rs.1,617.759 million (2024: Rs.743.283 million) has not been recognized because it is not probable that future taxable profits will be available against which the Group can utilize the deferred tax asset.

22.2 Actuarial valuation of the plan was carried out as at June 30, 2025. The calculation for provision of defined benefit plan is as under:

Movement of the present value of defined benefit obligation (PVDBO)

	Note	2025	2024
Balance as at start of the year		626,931	570,947
Charge for the year	22.2.1	144,952	131,243
Remeasurement gain		(56,494)	(38,473)
Payments during the year		(41,473)	(36,786)
Balance as at end of the year		673,916	626,931

22.2.1 **Charge for the year**

	Note	2025	2024
Current service cost		60,085	44,216
Markup cost		84,867	87,027
		144,952	131,243
Allocation are as follows:			
Cost of Sales	31.1	73,890	58,601
Distribution and selling costs	32.1	6,029	3,399
Administrative expenses	33.1	65,033	69,243
		144,952	131,243

The principal actuarial assumptions used were as follows:

	2025	2024
Discount rate	12.50%	14.00%
Future salary increase rate	12.50%	14.00%
Withdrawal Rate	Moderate	Moderate
Mortality	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005

Sensitivity Analysis

	2025		2024	
	PVDBO (Rupees in Thousand)	Percentage Change	PVDBO (Rupees in Thousand)	Percentage Change
Current Liability	**673,916**	-	626,931	-
+ 1% Discount Rate	**643,577**	**(4.50%)**	598,781	(4.49%)
- 1% Discount Rate	**709,123**	**5.22%**	659,594	5.21%
+ 1% Salary Increase Rate	**712,119**	**5.67%**	662,378	5.65%
- 1% Salary Increase Rate	**640,575**	**(4.95%)**	595,992	(4.94%)
+ 10% Withdrawal Rates	**672,532**	**(0.21%)**	625,644	(0.21%)
- 10% Withdrawal Rates	**675,360**	**0.21%**	628,274	0.21%
1 Year Mortality age set back	**673,936**	**0.00%**	626,950	0.00%
1 Year Mortality age set forward	**673,896**	**(0.00%)**	626,913	(0.00%)

	(Rupees in Thousand)	
	2025	2024
Maturity profile	Undiscounted payments	
Year 1	**205,303**	202,911
Year 2	**26,235**	25,879
Year 3	**15,378**	14,925
Year 4	**38,580**	38,077
Year 5	**32,596**	32,158
Year 6 to 10	**130,658**	128,805
Year 11 and above	**472,595**	464,973

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.

		Note	(Rupees in Thousand) 2025	2024
22.3	**Provision for Gas Infrastructure Development Cess**			
	Balance at start of the year		**814,658**	791,976
	Remeasurement gain on discounting of provision for GIDC	35	**(11,008)**	(118,813)
	Un-winding of long term provision for GIDC	36	**11,237**	141,495
			814,887	814,658
	Current portion of Gas Infrastructure Development Cess	27	**(814,887)**	(814,658)
			-	-

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 Group.

As per judgement of the Honorable Supreme Court of Pakistan, the Group has filed a Civil Suit 1369/2020 before the Sindh High Court against payment of GIDC installments on the ground that the Group 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 Group has recorded the provision at its present value by discounting the future cash flows at risk free rate.

22.4 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 20.3, 20.4, 20.6 & 20.10 to these 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:

	Note	(Rupees in Thousand) 2025	2024
Opening balance		884,007	1,035,274
Amortization of government scheme		(167,256)	(151,267)
		716,751	884,007
Current portion of government scheme	27	(161,168)	(167,256)
		555,583	716,751

23 TRADE AND OTHER PAYABLES

	Note	2025	2024
Trade creditors	23.1 & 23.2	1,494,461	1,505,860
Bills payable	23.3	995,241	1,922,650
Accrued expenses	23.4	278,310	445,474
Advance payments from customers - unsecured	23.5 & 23.6	595,519	840,360
Security deposits from contractors	23.7	1,605	1,535
Workers' Welfare Fund	23.8	96	96
Provisions	23.9	1,749,802	1,511,797
Withholding taxes		25,680	19,128
Payable to Provident Fund Trusts		1,345	1,103
Other liabilities	23.10	115,241	110,760
		5,257,300	6,358,763

23.1 These includes related parties balances are as follows:

a) These include Rs.38.425 million (2024: Rs.201.915 million) payable to a related party Messrs. Novatex Limited

b) These include Rs.643.305 million (2024: Rs.146.040 million) payable to a related party Messrs. Lotte Chemical Pakistan Limitec

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

23.3 These include balances payable in foreign currency of US$ 3.454 million and Euro:0.042 million (2024: US$ 6.735 million and Euro:0.150 million).

23.4 These includes related parties balances are as follows:

a) These include Rs.6.689 million (2024: Rs.Nil) payable to a related party Messrs. Novatex Limited on account of obtaining of services and cost sharing expenses

b) These include Rs.Nil (2024: Rs.1.300 million) payable to a related party Messrs. Gani & Tayub (Private) Limited.

c) These include Rs.Nil (2024: Rs.0.034 million) payable to a related party Messrs. Nova Mobility (Private) Limited.

d) These include Rs.0.102 million (2024: Rs.Nil) payable to a related party Messrs. G-Pac Corporation.

23.5 These include Rs.Nil (June 2024: Rs.85.556 million) received from a related party Messrs. Novatex Limited.

23.6 Advances from customers at the beginning of the year got converted into revenue during the year, to the extent of deliveries made to those customers

23.7 This represents return-free security deposits from contractors held in separate bank account, refer note 17.1.

23.8 Workers' Welfare Fund

	Note	2025	2024
Balance as at start of the year		96	22,977
Provision		-	96
Reversal of provision - prior year		-	(16,301)
	35	-	(16,205)
Adjustment through income tax refund/withholding	28	-	(6,676)
Balance as at end of the year		96	96

		Note	(Rupees in Thousand) 2025	2024
23.9	Provisions for:			
	Enhanced gas rate	23.9.1 & 23.9.2	**447,171**	447,171
	Infrastructure Cess on imports	23.9.3	**879,634**	716,117
	Sales tax	23.9.4	**284,715**	341,723
	Others	23.9.5	**6,786**	6,786
	Gas levy	23.9.6	**131,496**	-
			1,749,802	1,511,797

23.9.1 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 Group alongwith several other companies filed suit in the Honorable 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 Single Bench of Honorable Sindh High Court decided the case in favor of the Petitioners. However, in June 2016, Defendants filed appeal before the Divisional Bench of Honorable 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 which is still under adjudication. 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 Group alongwith others filed a suit in the Honorable 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 Group has provided bankers' verified cheque to Nazir of High Court amounting to Rs.316.797 million (2024: Rs.316.797 million). As an abundant precaution, the Group has made total provision of Rs.159.264 million (2024: Rs.159.264 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 Group is paying in full as per the notification. In September 2024, the Single Bench of Honorable Sindh High Court decided the case in favor of the Petitioners. M/s. SSGCL filed an appeal HCA 391/2024 in October 2024 before the Division Bench of Honorable Sindh High Court against the decision which has been decided in favour of the petitioners during February 2025. SSGCL has filed an appeal in the Honorable Supreme Court against the judgment of the Divisional Bench of Honorable Sindh High Court in favor of the petitioners; however, no notices have been issued as of yet.

23.9.2 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 Group with effect from September 2013. On December 21, 2015, the Group alongwith several other companies filed suit in the Honorable 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 Group alongwith others filed a suit in the Honorable 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 Group has provided bankers' verified cheque to Nazir of High Court (refer note 23.9.1). As an abundant precaution, the Group has made provision of Rs.287.907 million (2024: Rs.287.907 million) pertaining to the period of November 2015 to September 2018 and did not create receivable of Rs.240.238 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 Group is paying full amount of the gas bills as per this notification. In February, 2020, the Single Bench of Honorable Sindh High Court has decided the case in favor of Petitioners. SSGCL has filed appeal HCA. 183/2020 in October 2020 before the Division Bench of Honorable Sindh High Court against the decision and is pending for adjudication.

		2025	2024
23.9.3	**Movement is as under:**		
	Balance as at start of the year	**716,117**	514,965
	Provision made during the year	**163,517**	201,152
	Balance as at end of the year	**879,634**	716,117

The Parent Company had filed a petition in the Honorable Sindh High Court at Karachi on May 25, 2011 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 Parent Company has also challenged the new Act in the Honorable 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 Parent Company has filed an appeal bearing CP. No. 4515/2021 in Honorable 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 Honorable 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 Parent Company has provided bank guarantee amounting to Rs.878.365 million (2024: Rs.778.365 million) in favor of Excise and Taxation Department, in respect of consignments cleared after December 27, 2006 (refer note 29.2). Full provision after December 27, 2006 has been made in these consolidated financial statements as an abundant precaution.

The Subsidiary Company Messrs. Gatro Power (Private) Limited has filed a petition in the Honorable Sindh High Court on April 13, 2018 against Province of Sindh and others at Karachi challenging the levy of Infrastructure Cess on imports by the Government of Sindh through Sindh Development and Maintenance of Infrastructure Cess Act, 2017. Stay has been granted by the Honorable Sindh High Court ordered to pay 50% in cash of this liability and to submit bank guarantee for the rest of 50% until the final order is passed. On June 04, 2021, the Honorable Sindh High Court has passed the judgment in favor of the Government. The Subsidiary Company has filed an appeal bearing CP. No. 1699-K/2021 in Honorable Supreme Court of Pakistan against the judgment. The case of the Subsidiary Company remains pending as it is omitted by the High Court staff to include in the bunch of cases which have been decided. The Honorable Supreme Court of Pakistan, vide interim order dated September 01, 2021, has suspended the operation of the impugned judgement of the Honorable 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 Subsidiary Company has provided bank guarantee amounting to Rs.32.500 million (2024: Rs.32.500 million) in favor of Excise and Taxation Department, in respect of consignments cleared after April 13, 2018 (refer note 29.2). Full provision after April 13, 2018 has been made in these consolidated financial statements as an abundant precaution.

The Subsidiary Company Messrs. G-Pac Energy (Private) Limited has filed a petition in the Honorable Sindh High Court at Karachi on June 24, 2019 against Province of Sindh and others challenging the levy of Infrastructure Cess on imports by the Government of Sindh through Sindh Development and Maintenance of Infrastructure Cess Act, 2017. Stay has been granted by the Honorable Sindh High Court ordered to pay 50% in cash of this liability and to submit bank guarantee for the rest of 50% until the final order is passed. On June 04, 2021, the Honorable Sindh High Court has passed the judgment in favor of the Government. The Subsidiary Company has filed an appeal bearing CP. No. 4543/2021 in Honorable 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 Honorable 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 Subsidiary Company has provided bank guarantee amounting to Rs.3.000 million (2024: Rs.2.500 million) in favor of Excise and Taxation Department, in respect of consignments cleared (refer note 29.2). Full provision has been made in these consolidated financial statements as an abundant precaution.

23.9.4 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 Parent Company had challenged the disallowance of input tax adjustment on packing material in the Honorable 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 Parent Company has filed an appeal before the Honorable 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 has been filed before CIR(A) which has also been decided against the Parent Company, however, due to certain apparent mistakes in order, rectification application has been filed, which is pending.

23.9.5 This represents provision of Gas Infrastructure Development Cess amounting to Rs.4.131 million (2024: Rs.4.131 million) and rate difference of gas tariff Rs.2.655 million (2024: Rs.2.655 million) on account of common expenses payable by the Parent Company to a related party Messrs. Novatex Limited.

23.9.6 The Subsidiary Companies Messrs. Gatro Power (Pvt) Limited & Messrs. G-Pac Energy Limited has filed a Writ Petition No. 1185 of 2025 before the Honorable Islamabad High Court on 25.03.2025, challenging the levy imposed on Captive Power consumers through Notification dated 07.03.2025, issued under Section 3(1) of the Off the Grid (Captive Power Plants) Levy Ordinance, 2025. The Honorable Islamabad High Court vide its Order dated 26.03.2025 was pleased to suspended the operation of the impugned Notification. Subsequently, vide Order dated 08.04.2025, the stay was vacated with directions that all amounts collected under the impugned Ordinance be collected in the Federal Consolidated Fund for its 120-day validity and utilized only for the stated purpose, with a further condition that, if the Ordinance lapsed without Parliamentary approval, the amounts collected would be refunded in full to the petitioners and not diverted elsewhere. Thereafter, vide Order dated 31.07.2025, the Writ Petition was dismissed on technical grounds, the Court holding that since the Ordinance stood repealed upon enactment of the Off the Grid (Captive Power Plants) Levy Act, 2025, and no challenge had been made to the vires of the subsequently enacted Act, no relief could be granted to the petitioners. The Subsidiary Companies then filed a Constitutional Petition. No.(k) 98/2025 before the Honorable Balochistan High Court challenging the impugned Notification dated 23.07.2025 under Section 3(1) of the Off the Grid (Captive Power Plants) Levy Act, 2025. Subsequently, the Honorable Balochistan High Court vide Order dated 04-08-2025 suspended the collection of levy by SSGC with the direction to the Subsidiary Companies that post-dated cheques equal to the levy amount as imposed through monthly SSGC gas bills be submitted as surety. The case is currently pending before the Honorable Balochistan High Court and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Subsidiary Companies.

23.10 These include Rs.69.042 million (2024: Rs.65.365 million) received from employees under Group car policy.

24 UNPAID DIVIDEND

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

	Note	(Rupees in Thousand) 2025	2024
25 ACCRUED MARK UP/PROFIT			
Profit on long term financing		320,767	526,623
Mark up/profit on short term borrowings		159,336	16,389
	25.1	480,103	543,012

25.1 This includes accrued profit of Rs.479.800 million (2024: Rs.542.943 million) under Shariah compliant arrangements.

	Note	2025	2024
26 SHORT TERM BORROWINGS - Secured			
From banking companies under mark up/profit arrangements			
Running finance - Under Conventional		763,716	77,733
- Under Shariah compliant		5,838,058	3,337,005
		6,601,774	3,414,738
Short term finance - Under Shariah compliant		157,434	14,825
Export re-finance - Under Shariah compliant		150,000	150,000
		6,909,208	3,579,563

26.1 The Parent Company has aggregate facilities of short term borrowings amounting to Rs.13,594 million (2024: Rs.13,080 million) from various commercial banks (as listed in Note 26.3) out of which Rs.6,685 million (2024: Rs.9,500 million) remained unutilized at the 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 11.94% to 19.59% and for export refinance 8.40% to 18.40% per annum. These facilities are renewable annually at respective maturities.

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

26.3 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 Islamic Bank Limited, Meezan Bank Limited, Soneri Bank Limited, The Bank of Punjab and United Bank Limited.

	Note	2025	2024
27 CURRENT PORTION OF DEFERRED LIABILITIES AND INCOME			
Gas Infrastructure Development Cess	22.3	814,887	814,658
Deferred Income - Government scheme	22.4	161,168	167,256
		976,055	981,914

		(Rupees in Thousand)	
	Note	2025	2024
28 PROVISION FOR LEVIES AND INCOME TAX LESS PAYMENTS			
Balance as at start of the year		200,330	251,307
Provision - Current		338,103	425,807
- Prior		2,396	(94,553)
		340,499	331,254
		540,829	582,561
Payments		(382,457)	(388,907)
Adjustment of income tax refund against tax liability		59,194	-
Adjustment of Workers' Welfare Fund	23.8	-	6,676
		(323,263)	(382,231)
Balance as at end of the year		217,566	200,330

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 The Subsidiary Company Messrs. Gatro Power (Private) Limited has not made any provision in respect of Workers' Profit Participation Fund on the ground that there are no workers as defined in The Companies Profits (Workers' Participation) Act, 1968 and accordingly the said Act does not apply to the Subsidiary Company. The Subsidiary Company is confident that no liability will arise on this account.

29.1.2 FBR initiated action against few customers of the Parent Company for violating/non compliance of the provisions of SRO 1125 dated December 31, 2011 and alleging the Parent 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 Parent 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 Parent 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 consolidated statement of profit or loss in previous period in the year 2014. On September 04, 2021, the Special Judge Custom and Taxation Court has decided the case in favor of the Parent Company. The FBR has filed appeal at Honorable Sindh High Court Karachi against the decision of Special judge which is pending for adjudication.

29.1.3 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 Group alongwith several other companies filed suit in the Honorable Sindh High Court against OGRA and others challenging the validity and promulgation of GIDC Act 2015. The Single Bench of Honorable Sindh High Court had decided the case in favor of Petitioners. However, in May 2020, Defendants have filed appeal before the Division Bench of Honorable 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 Group 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 Group. As per the judgement of Honorable Supreme Court of Pakistan, the Group has filed a Civil Suit number 1369/2020 dt:01-10-2020 before the Honorable Sindh High Court against payment of GIDC instalments on the ground that the Group 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.1,169.955 million, however the Group has maintained a provision for Rs.814.887 million pertaining to the period from June 2015 to July 2020 as an abundant precaution.

29.1.4 The Parent Company along with several other companies has filed a Constitution Petition no. CP 2085/2016 dated April 13, 2016 in the Sindh High Court against Employment Old Age Benefits Institution (EOBI) and others against a notice issued by the EOBI to the Parent 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 Parent Company. On December 03, 2021, the Honorable Sindh High Court has dismissed the Petition. However, the Parent Company has filed an appeal at Honorable Supreme Court of Pakistan against the judgment. No provision of the amount involved i.e. Rs.50.468 million (J2024: Rs.42.340 million) has been made in these consolidated financial statements.

29.1.5 The Parent 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 Parent 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 Parent Company. However, the Parent Company has filed appeals before the ATIR dated:30-03-2020, 07-04-2020 & 18-08-2020 against orders passed by CIR(A). No provision has been made in these consolidated financial statements as the Parent Company is confident that the matter will be decided in favor by the appellate authorities.

29.1.6 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 Parent 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 Parent 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 Parent 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 Parent Company. As of now, the Tax Department has not yet filed appeal against the said judgment of ATIR.

29.1.7 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent Company, hence Rs.2.197 million recorded as refundable.

29.1.8 The Tax Officer alleged the Parent 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 Parent 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 Parent Company. Appeal was decided in favor of the Parent 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 Parent Company. No provision has been made in these consolidated financial statements.

29.1.9 The case of the Parent 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 Parent Company has moved rectification application and in response thereto rectified order was issued. Moreover, the Parent 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 Parent Company. Considering that the matter decided against the Parent Company has no material impact, therefore, the Parent 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 been decided by ATIR in favour of Parent Company.

29.1.10 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 Parent Company filed an appeal before the CIR(A), who vide order dated January 20, 2017 decided the case partially in favor of the Parent 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 been decided by ATIR in favour of Parent Company.

29.1.11 The Parent Company had filed a petition no. CP No.D-5468 dated August 26, 2019 in Honorable 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 (2024: Rs.15.351 million), refer note 29.2. Moreover, through Finance Act, 2020 this levy has been withdrawn from manufacturer w.e.f. July 01, 2020.

29.1.12 The Parent Company had filed a petition no. CP D-573 dated January 26, 2019 before the Honorable Sindh High Court wherein the Parent 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 Parent 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 Parent Company, however, on a prudent basis Rs.40.395 million has been provided in these consolidated financial statements.

29.1.13 The Parent Company had filed petition no. D-557 and D-2656 before the Honorable Sindh High Court wherein the Parent 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 Parent Company. The Parent Company has filed petition no. 2307 of 2020 and 2308 of 2020 before the Honorable Supreme Court of Pakistan against the judgement of the Honorable Sindh High Court, hearing of which is pending at the moment. The Parent Company also filed appeal dated: October 27, 2020 before the CIR(A) against the order dated: October 01, 2020 passed by DCIR under section 4B of the Income Tax Ordinance, 2001 which has been concluded in favor of the Tax Department. The Parent Company has filed appeals before the ATIR dated September 07, 2021 against the orders passed by the CIR(A). The Parent 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 Parent Company. However, as an abundant precaution, the Parent Company has not reversed the liability in these consolidated financial statements.

29.1.14 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 Parent Company filed an appeal before the CIR(A), which has been partially decided in favour of the Parent Company resulting in net tax refundable of Rs.4 million, appeal effect order is not yet issued by the Tax Department. The Parent 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 Parent Company.

29.1.15 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 amounting to Rs.105.230 million. The Parent Company has challenged the provision of Finance Act, 2019 before the Honorable Sindh High Court vide CP no. D-8506 of 2019, 6582 of 2020 and 7540 of 2022 and the Court has decided the matter in favour of the Parent 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 Honorable Sindh High Court in Honorable 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 Parent 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 Parent Company has filed review petition before the Honorable 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 Parent Company has paid/adjusted tax demands against available income tax refunds under protest.

29.1.16 The Tax Officer alleged the Parent 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 Parent 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 Parent Company. The Tax Department has filed an appeal before ATIR against the said judgment. No provision has been made in these consolidated financial statements.

29.1.17 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 Parent Company filed petitions against the said notices before the Honorable Sindh High Court vide CP no. D-5247 of 2021, which has been decided in favour of the Parent 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 Parent Company. However, full liability of WWF has been provided in respective years consolidated financial statements.

29.1.18 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 Parent Company has filed an appeal before the CIR(A). The Parent 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 Parent Company and partially in favor of Tax Department. The order contains significant errors for which Parent Company has filed rectification application before CIRA.

29.1.19 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. The Parent Company has filed an appeal before CIR(A), who vide order dated March 16, 2023 decided the case partially in favor of the Parent Company and partially in favor of Tax Department. The Parent Company as well as Tax Department have filed appeals dated 13-05-2023 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 Parent Company.

29.1.20 The Parent 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 Honorable 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% in other C.P. no. 3825 and 3909 of 2022. Therefore, the Parent 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 Parent Company. However, as an abundant precaution, the Parent Company has not reversed the liability in these consolidated financial statements.

29.1.21 The Parent Company has filed the petition no. CP D-7001/2022 dated November 12, 2022 in Honorable 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 Parent Company.

29.1.22 The Parent 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 Parent Company.

29.1.23 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 Parent Company has filed an appeal before CIR(A), which has been decided the case partly in favor of the Parent Company vide order dated November 15, 2023. The Parent Company has filed appeal before ATIR, which is pending for hearing.

29.1.24 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 Parent Company's appeal 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 Parent Company.

29.1.25 Tax Department has raised demand of Rs.4.684 million by disallowing input 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 Parent Company has filed an appeal dated: March 30, 2024 before ATIR against the said order.

29.1.26 Income tax return for the Tax Year 2023 was amended by the ADCIR vide order dated October 11, 2024 resulting in reduction of tax refund of Rs.139.23 million against which the Parent Company filed an appeal dated: November 11, 2024 before the ATIR.

29.1.27 The DCIR has raised demand of Rs.39.77 million by disallowing input sales tax on building material, vide order dated October 8, 2024, for the tax period July 2022. The Parent Company has filed an appeal#STA 779/KB 2024 dated:01-11-2024 before ATIR against the said order. However, the Parent Company has deposited the demanded amount into Government Treasury.

29.1.28 The Commissioner of Balochistan Revenue Authority (BRA) has raised demand of Rs.342.5 million on the basis of short withholding of Balochistan sales tax payment, vide order dated June 30, 2025, for the tax period July 2018 to June 2019. The Parent Company has filed an appeal before Balochistan Appellate Tribunal against the said 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 Parent Company. No provision has been made in these consolidated financial statements.

29.1.29 The Tax Officer disallowed input sales tax amounting to Rs.0.042 and Rs.0.109 million, claimed by the Subsidiary Company Messrs. Gatro Power (Private) Limited on building materials used for installation of plant and machinery for tax period February 2017. Appeal dated: July 11, 2018 & October 17, 2019 were filed against the said order before the CIR(A). The learned CIR(A) has decided the matter in favor of the Subsidiary Company in both cases. The Tax Department has filed an appeal before the ATIR against aforementioned CIR(A) orders. No provision has been made as the management is hopeful for a favorable outcome.

29.1.30 Tax Department initiated monitoring of withholding proceedings for tax year 2011 wherein demand of Rs.47.408 million including default surcharge and penalty was raised on account of intercorporate dividend paid to Parent Company. The Subsidiary Company Messrs. Gatro Power (Private) Limited had filed an appeal dated: January 22, 2019 before CIR(A) against order of the Tax Department which was decided in favor of the Subsidiary Company on ground of the order being time barred whereas on other grounds the appeal was dismissed. Accordingly, both the Subsidiary Company as well as the Tax Department have filed an appeal dated:April 15, 2019 before the ATIR, which is pending. 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 Subsidiary Company. No provision has been made in these consolidated financial statements.

29.1.31 Tax Department raised demand of Rs.53.194 million, Rs.57.522 million, 64.803 million, Rs.14.101 million and Rs.103.346 million on the basis of order passed for monitoring of tax withholding for tax years 2011 to 2015 respectively. Appeal was filed before the CIR(A), which was decided in favor of the Subsidiary Company Messrs. Gatro Power (Private) Limited. However, Tax Department has filed appeals before ATIR. Appeal against TY 2011 to 2014 have been decided in favour of the Subsidiary Company vide order no. ITA No. 910 to 914/KB//2016 dated October 12, 2024, however hearing of TY 2015 is pending. 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 Subsidiary Company. No provision has been made in these consolidated financial statements.

29.1.32 Tax Department has raised demand of Rs.1.8 million on the basis of sales tax audit for the tax periods from July 2017 to June 2018. The Subsidiary Company Messrs. Gatro Power (Private) Limited has filed an appeal before the CIR(A). CIR(A) has decided the case in favour of Subsidiary Company. The Tax Department has filed appeal dated: March 18, 2022 before ATIR against CIR(A) order, which is pending for hearing. No provision has been made in these consolidated financial statements.

29.1.33 The Subsidiary Company Messrs. Gatro Power (Private) Limited has filed the petition no. CP D-7002/2022 in Honorable Sindh High Court against conducting Sales Tax Audit for the tax year 2019 vide notice dated: November 15, 2021. 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 Subsidiary Company.

	Note	(Rupees in Thousand) 2025	2024
29.2 Guarantees			
Bank Guarantees in favour of:			
The Director Excise & Taxation, Karachi	23.9.3	**913,865**	813,365
The Electric Inspector, President Licencing Board, Quetta		**10**	10
Pakistan State Oil Company Limited		**41,500**	70,000
K-Electric Limited		**18,496**	18,496
Nazir of the High Court of Sindh, Karachi	29.1.11	**15,351**	15,351
Revolving Letter of Credit in favour of:			
Sui Southern Gas Company Limited for Gas		**1,572,480**	1,106,709
		2,561,702	2,023,931

29.3 Commitments

The Group's commitments, against which the banks have opened Letters of Credit, in favor of different suppliers, are as follows:

	2025	2024
Foreign currency:		
Property, plant and equipment	**399,047**	576,401
Raw and packing material	**1,051,555**	838,897
Spare parts and others	**55,752**	161,027
	1,506,354	1,576,325
Local currency:		
Property, plant and equipment	**2,366**	53,509
Raw material	**-**	1,426,605
Spare parts and others	**-**	11,156
	2,366	1,491,270
	1,508,720	3,067,595

29.3.1 The Parent Company has made an agreement for purchase of land amounting to Rs.Nil (2024: Rs.133.150 million), out of which Rs.Nil (2024: Rs.17.225 million) paid as advance (refer note 5).

		Note	(Rupees in Thousand) 2025	2024
30	**SALES**			
	Gross local sales		**26,438,717**	36,719,513
	Processing charges		**4,123,067**	2,196,818
			30,561,784	38,916,331
	Less: Sales tax		**4,670,300**	5,718,233
			25,891,484	33,198,098
	Export sales		**436,556**	815,483
			26,328,040	34,013,581
31	**COST OF SALES**			
	Raw and packing material consumed		**15,641,914**	22,603,658
	Stores, spare parts and loose tools consumed		**853,002**	587,114
	Outsource processing charges		**-**	174,745
	Salaries, wages, allowances and benefits	31.1	**2,134,272**	2,204,898
	Power, fuel and gas		**5,306,916**	5,137,671
	Rent, rates and taxes		**12,579**	35,554
	Insurance		**259,675**	244,278
	Cartage and transportation		**245,065**	326,766
	Repairs and maintenance		**111,496**	224,216
	Communications and Computer		**3,405**	8,822
	Water supply		**18,023**	16,161
	Travelling		**10,228**	16,275
	Sundry expense		**45,958**	56,031
	Depreciation	5.2	**1,692,497**	1,006,231
			26,335,030	32,642,420
	Scrap sales	31.2	**(202,169)**	(182,947)
			26,132,861	32,459,473
	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		**(1,993,722)**	(1,392,301)
	Closing stock of unfinished goods held for sale		**(1,206)**	(32,744)
	Cost of goods manufactured		**25,562,978**	31,744,673
	Opening stock of finished goods		**3,818,775**	4,097,889
	Closing stock of finished goods		**(3,893,080)**	(3,818,775)
			25,488,673	32,023,787

31.1 These include Rs.7.094 million (2024: Rs.6.578 million) and Rs.73.890 million (2024: Rs.58.601 million) respectively, representing contribution to defined contribution plan by the Group and expenditure on defined benefit plan.

31.2 Net off sales tax amounting to Rs.40.730 million (2024: Rs.35.392 million).

		Note	2025	2024
32	**DISTRIBUTION AND SELLING COSTS**			
	Salaries, wages, allowances and benefits	32.1	**68,330**	47,840
	Insurance		**2,549**	5,992
	Rent, rates and taxes		**17,515**	14,431
	Handling, freight and transportation		**315,708**	200,317
	Advertisement and sales promotion		**292**	599
	Communications		**869**	918
	Travelling		**2,225**	1,380
	Legal and professional fee		**-**	182
	Sundry expense		**27,512**	22,607
	Depreciation	5.2	**2,749**	2,151
	Depreciation right of use assets	5.6.1	**8,368**	5,579
			446,117	301,996

32.1 These include Rs.6.029 million (2024: Rs.3.399 million) representing expenditure on defined benefit plan.

	Note	(Rupees in Thousand) 2025	2024
33 ADMINISTRATIVE EXPENSES			
Salaries, wages, allowances and benefits	33.1	361,665	380,332
Rent, rates and taxes		4,220	2,510
Insurance		9,197	11,772
Repairs and maintenance		2,971	40,318
Travelling		5,498	10,718
Communications		8,901	9,059
Legal and professional fees		13,535	19,789
Utilities		15,608	2,123
Printing and stationery		879	330
Transportation		21,421	25,377
Sundry expense		23,056	35,100
Depreciation	5.2	9,098	12,021
Depreciation right of use assets	5.6.1	16,271	18,141
Amortization of intangible asset	6	10,025	10,025
		502,345	577,615

33.1 These include Rs.Nil (2024: Rs.0.018 million) and Rs.65.033 million (2024: Rs.69.243 million) respectively, representing contribution to defined contribution plan by the Group and expenditure on defined benefit plan.

	Note	2025	2024
34 OTHER EXPENSES			
Impairment allowance for ECL - net	11.5	45,761	52,641
Impairment allowance for slow moving stores, spare parts and loose tools - net	9.1	21,411	28,755
Financial assets written off		-	102,808
Exchange loss - net		44,321	-
Corporate social responsibility	34.1	-	4,954
Auditors' remuneration	34.2	9,608	4,620
		121,101	193,778

34.1 This includes donations of Rs.Nil (2024: Rs.3.954 million) to a related party Messrs. Gatron Foundation in which Chief Executive and four directors of the Parent Company are governors and a donation of Rs.Nil (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.

	2025	2024
34.2 Auditors' remuneration		
Audit fee - Annual financial statements		
Parent Company - Gatron (Industries) Limited	3,200	2,750
Subsidiary Company - Gatro Power (Private) Limited	800	800
Subsidiary Company - Global Synthetics Limited	22	22
Subsidiary Company - G-Pac Energy (Private) Limited	175	25
Audit fee - Special purpose financial statements		
Parent Company - Gatron (Industries) Limited	2,750	-
Subsidiary Company - Gatro Power (Private) Limited	800	-
Subsidiary Company - Global Synthetics Limited	23	-
Subsidiary Company - G-Pac Energy (Private) Limited	25	-
Audit fee - Special purpose consolidated financial statements	200	-
Limited review, audit of annual consolidated financial statements and certification fee	435	470
Sindh Sales Tax on services	675	326
Out of pocket expenses	503	227
	9,608	4,620

		Note	2025 (Rupees in Thousand)	2024 (Rupees in Thousand)
35	**OTHER INCOME**			
	Income from financial assets			
	Profit on deposits		36,170	124,969
	Income from non - financial assets & others			
	Gain on disposal of property, plant and equipment	5.3	23,758	22,774
	Liabilities no more payable written back		7,369	30,965
	Amortization of Government Scheme		24,378	12,559
	Exchange gain - net		-	42,828
	Remeasurement gain on discounting of provision for GIDC	22.3	11,008	118,813
	Reversal of provision for Workers' Welfare Fund	23.8	-	16,205
	Miscellaneous income		4,227	359
			70,740	244,503
			106,910	369,472
36	**FINANCE COST**			
	Profit on long term financing		828,485	209,266
	Interest on lease liability against right of use assets		14,366	22,495
	Mark up/profit on short term borrowings		690,624	1,238,763
	Un-winding of long term provision for GIDC	22.3	11,237	141,495
	Bank charges and guarantee commission		6,184	10,237
		36.1	1,550,896	1,622,256

36.1 It includes finance costs under Shariah Complaint arrangement amounting to Rs.1,519.172 million (2024: Rs.1,217.784 million).

		Note	2025	2024
37	**INVESTMENT INCOME - DIVIDEND**			
	Dividend income from investment in mutual fund		-	8,538
38	**LEVIES**			
	Final tax - current		-	9,435
	Final tax - prior year		1,833	-
	Minimum tax		328,009	414,976
		39.1	329,842	424,411

38.1 This represent final tax under section 113 and 154 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

		Note	2025	2024
39	**INCOME TAX**			
	For the current year		10,094	1,396
	For the prior year		563	(94,553)
			10,657	(93,157)
	Deferred	22.1.1	-	(219,047)
		39.1	10,657	(312,204)

39.1 The Group is subject to Minimum Tax/Levies under section 113 and 154 of the Income Tax Ordinance 2001 for local and export sales. Accordingly, the relationship between tax expense accounting profit has not been presented in these consolidated financial statement.

		Note	2025	2024
40	**LOSS PER SHARE - BASIC AND DILUTED**			
	Loss for the year		(2,014,681)	(440,048)
			(Number of Shares)	
	Weighted average number of Ordinary Shares in issue during the year		108,728,960	86,718,699
			(Rupees)	
	Loss per share - Basic and diluted		(18.53)	(5.07)

40.1 There is no dilutive effect on the basic loss per share of the Group.

		Note	2025 (Rupees in Thousand)	2024 (Rupees in Thousand)
41	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	17	132,179	340,660
	Short term borrowings - Running finance	26	(6,601,774)	(3,414,738)
			(6,469,595)	(3,074,078)

		(Rupees in Thousand)	
		2025	2024

42 FINANCIAL INSTRUMENTS

	2025	2024
Financial assets as per statement of financial position		
- Measured at amortized cost		
Loans and advances	**25,539**	27,260
Deposits	**15,501**	85,677
Trade debts	**4,662,811**	3,516,225
Other receivables	**120,488**	175,513
Cash and bank balances	**132,179**	340,660
	4,956,518	4,145,335
Financial liabilities as per statement of financial position		
- Measured at amortized cost		
Long term financing	**9,116,830**	9,703,216
Lease liability against right of use assets	**94,988**	122,769
Trade and other payables	**2,817,161**	3,922,017
Unclaimed dividend	**853**	8,219
Unpaid dividend	**20,801**	20,801
Accrued mark up/profit	**480,103**	543,012
Short term borrowings	**6,909,208**	3,579,563
	19,439,944	17,899,597

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

42.1 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 Group's certain accounting policies and disclosure requires use of fair value measurement and the Group 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. 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. The Group does not expect that unobservable inputs may have significant effect on fair values.

42.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group 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 Group'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.

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

	(Rupees in Thousand)	
	2025	2024
Trade creditors	179,786	122,322
Bills Payable	995,241	1,922,650
	1,175,027	2,044,972
Trade Debts	(60,777)	(38,146)
Receivable from suppliers	(106,956)	(119,265)
Cash at bank in foreign currency accounts	(36,865)	(204,337)
	(204,598)	(361,748)
	970,429	1,683,224
Commitments - Outstanding letters of credit	1,506,354	1,576,325
Net exposure	2,476,783	3,259,549

The following significant exchange rates have been applied:

	Rupees			
	Average rate		Reporting date rate	
	2025	2024	2025	2024
Buying				
USD to PKR	278.85	282.40	283.60	278.30
Euro to PKR	305.38	305.42	332.29	297.98
CHF to PKR	-	318.29	-	309.16
Selling				
USD to PKR	279.35	282.90	284.10	278.80
Euro to PKR	305.97	305.97	332.87	298.54
CHF to PKR	-	318.84	-	309.71

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.

	(Rupees in Thousand)			
	Average rate		Reporting date rate	
	2025	2024	2025	2024
Effect on statement of profit or loss				
USD to PKR	238,406	299,334	242,477	295,063
Euro to PKR	4,752	30,950	5,202	30,197
CHF to PKR	-	715	-	695
	243,158	330,999	247,679	325,955

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

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 Group 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 Parent Company has short term borrowings at variable rates. At the reporting date, the interest profile of the Parent Company interest-bearing financial instrument is:

	2025	2024	(Rupees in Thousand) 2025	2024
	Effective rate (in %)		Carrying amount	
Financial Assets				
Variable rate instruments				
Bank balance	5.00 - 19.26	6.60 - 20.67	1,711	1,374
Financial Liabilities				
Variable rate instruments				
Long term financing	11.73 - 22.25	18.54 - 24.53	(4,540,597)	(4,576,414)
Short term borrowings	8.40 - 22.52	16.40 - 23.43	(6,909,208)	(3,579,563)
			(11,448,094)	(8,154,603)

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.

	Statement of profit or loss before tax	
	100 bp increase	100 bp decrease
As at June 30, 2025		
Cash flow sensitivity - Variable rate	**(114,481)**	**114,481**
As at June 30, 2024		
Cash flow sensitivity - Variable rate	(81,544)	81,544

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

Fair value sensitivity analysis for fixed rate instruments

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

42.2.2 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 Parent Company manages credit risk interalia by setting credit limits in relation to individual customers and by obtaining advance against sales and also obtains collaterals, where considered necessary. Also the Parent Company does not have significant exposure in relation to individual customer. Consequently, the Group believes that it is not exposed to any major concentration of credit risk.

Exposure to credit

The carrying amount of the financial assets represent the maximum credit exposure before any credit enhancements. Out of total financial assets of Rs.4,956.518 million (2024: Rs.4,145.335 million), financial assets of Rs.4,953.790 million (2024: Rs.4,141.474 million) are subject to credit risk. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	(Rupees in Thousand) 2025	2024
Loans and advances	**25,539**	27,260
Deposits	**15,501**	85,677
Trade debts	**4,662,811**	3,516,225
Other receivables	**120,488**	175,513
	4,783,299	3,691,738
Bank balances	**129,451**	336,799
	4,953,790	4,141,474

Loans and advances

These represents 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 Group actively pursues for the recovery of these loans and the Group 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. Group 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	**1,558,335**	1,000,834
Past due 1-30 days	**1,409,991**	947,476
Past due 31-90 days	**959,941**	1,013,221
Past due 91-180 days	**293,325**	513,934
Past due 180 days	**778,288**	387,093
	4,999,880	3,862,558
Allowance for ECL - local	**(216,581)**	(170,820)
	4,783,299	3,691,738

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

Banks	Rating Agency	Rating Short term	Rating Long term	(Rupees in Thousand) 2025	2024
Askari Bank Limited	PACRA	A1+	AA+	**45**	-
Bank Al-Falah Limited	PACRA	A1+	AAA	**23,522**	18,894
Bank Al-Habib Limited	PACRA	A1+	AAA	**5,224**	8,138
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	**2,480**	2,367
Faysal Bank Limited	PACRA	A1+	AA	**5,156**	4,907
Habib Bank Limited	VIS	A-1+	AAA	**1,295**	1,698
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	**51,331**	169,896
MCB Bank Limited	PACRA	A1+	AAA	**6,736**	31,170
Meezan Bank Limited	VIS	A-1+	AAA	**25,879**	34,642
National Bank of Pakistan	PACRA	A1+	AAA	**2,208**	1,891
Soneri Bank Limited	PACRA	A1+	AA-	**559**	2,523
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	**4,403**	60,238
The Bank of Punjab	PACRA	A1+	AA+	**136**	118
United Bank Limited	VIS	A-1+	AAA	**477**	317
				129,451	336,799

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

42.2.3 Liquidity risk

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

The Parent Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At June 30, 2025, the Parent Company has Rs.13,594 million available borrowing limit from financial institutions. The Parent Company has unutilized borrowing facilities of Rs.6,685 million in addition to balances at banks of Rs.129 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
	(Rupees in Thousand)						
2025							
Long term financing	**9,116,830**	**11,223,530**	**929,048**	**1,309,684**	**3,145,484**	**5,531,001**	**308,313**
Lease liability against right of use assets	**94,988**	**123,748**	**18,244**	**18,649**	**39,387**	**47,468**	-
Trade and other payables	**2,817,161**	**2,817,161**	**2,817,161**	-	-	-	-
Unclaimed dividend	**853**	**853**	**853**	-	-	-	-
Unpaid dividend	**20,801**	**20,801**	**20,801**				
Accrued mark up/profit	**480,103**	**480,103**	**480,103**	-	-	-	-
Short term borrowings	**6,909,208**	**7,107,948**	**7,107,948**	-	-	-	-
	19,439,944	**21,774,144**	**11,374,158**	**1,328,333**	**3,184,871**	**5,578,469**	**308,313**
2024							
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	3,922,017	3,922,017	3,922,017	-	-	-	-
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	-	-	-	-
	17,899,597	25,331,195	9,781,232	1,362,639	2,719,708	6,957,885	4,509,731

42.3 CAPITAL RISK MANAGEMENT

The Group's objectives in managing capital is to ensure the Group'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.

Certain loan facilities of the Parent Company require compliance with loan covenants (common being current ratio, gearing ratio, and debt service coverage ratio) during the respective tenures of the facilities. Breach of covenants may require the Parent Company to repay the loan earlier than agreed upon repayment dates in case upon intimation of the lender the default is not rectified. The Parent Company monitors the compliance with covenants on a regular basis. There are no indications that the Parent Company would have difficulties complying with these covenants.

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

	(Rupees in Thousand) 2025	2024
Total borrowings	**16,026,038**	13,282,779
Cash and bank balances	**(132,179)**	(340,660)
Net debt	**15,893,859**	12,942,119
Total equity	**12,848,929**	14,807,116
Total capital	**28,742,788**	27,749,235
Gearing ratio	**55%**	47%

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 consolidated statement of financial position plus net debt.

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

42.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	(Rupees in Thousand) 2025				
	Long term loans	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	(1,039,695)	-	-	-	(1,039,695)
Proceeds from long term loan	286,053	-	-	-	286,053
Effect of lease modification during the year	-	-	-	(7,479)	(7,479)
Lease rentals paid	-	-	-	(34,668)	(34,668)
Accretion of interest	-	-	-	14,366	14,366
Dividend paid	-	-	(7,366)	-	(7,366)
Total changes from financing activities	(753,642)	-	(7,366)	(27,781)	(788,789)
Other changes	205,856	(142,947)	-	-	62,909
Interest expense	828,485	690,624	-	14,366	1,533,475
Interest paid	(1,034,341)	(547,677)	-	(14,366)	(1,596,384)
Deferred government grant recognized	167,256	-	-	-	167,256
Changes in short term borrowings	-	3,329,645	-	-	3,329,645
Total loan related other changes	167,256	3,329,645	-	-	3,496,901
Total equity related other changes	-	-	-	-	-
Balance as at June 30, 2025	**9,116,830**	**6,909,208**	**21,654**	**94,988**	**16,142,680**

	2024				
	Long term loans	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
Interest expense	209,266	1,238,763	-	22,495	1,470,524
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**

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

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

(Rupees in Thousand)

Particulars	Chief Executive		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Managerial remuneration	**14,148**	14,148	**9,036**	9,036	**572,612**	419,395	**595,796**	442,579
Post Employment benefits	**7,874**	7,927	**1,724**	1,462	**63,907**	46,159	**73,505**	55,548
Other benefits	-	-	-	-	**87,257**	69,181	**87,257**	69,181
Reimbursement	**16**	-	**13**	-	**10,140**	3,915	**10,169**	3,915
	22,038	22,075	**10,773**	10,498	**733,916**	538,650	**766,727**	571,223
Number of persons for remuneration	**1**	1	**1**	1	**179**	110	**181**	112

43.1 Aggregate amount of meeting fee to 7 non-executive directors (2024: 9 non-executive Directors) was Rs.1.600 million (2024: Rs.2.150 million).

43.2 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 Group policies, the monetary impact where of is not quantifiable.

43.3 During the year, a related party Messrs. Novatex Limited reimbursed Rs.188.724 million (2024: Rs.122.253 million) in respect of shared resources of certain directors and executives.

44 SEGMENT REPORTING

44.1 Reportable segments

The Group's reportable segments are as follows:

- Polyester Filament Yarn - It comprises manufacturing of Polyester Filament Yarn and its raw material.
- Polyester PET Preform - It comprises manufacturing of Polyester PET Preform and its raw material. This includes the results of Subsidiary Company Messrs. Global Synthetics Limited, which has not yet commenced its operations till date.
- Electric Power generation - It comprises operations of Subsidiary Companies Messrs. Gatro Power (Private) Limited and Messrs. G-Pac Energy (Private) Limited.

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

44.2 Segment results:

The segment information for the reportable segments for the year ended June 30, 2025 is as follows:

(Rupees in Thousand)

	2025					2024				
	Polyester Filament Yarn	Polyester PET Preform	Total of Polyester Polymer	Power Generation	Group	Polyester Filament Yarn	Polyester PET Preform	Total of Polyester Polymer	Power Generation	Group
Sales	23,523,990	2,804,050	26,328,040	4,082,373	30,410,413	10,289,729	3,723,852	14,013,581	2,976,300	16,989,881
Segment result before depreciation	597,703	872,724	1,470,427	124,822	1,595,249	1,275,287	812,077	2,087,364	43,222	2,130,586
Less: Depreciation on property, plant and equipment	(1,455,235)	(61,565)	(1,516,800)	(187,544)	(1,704,344)	(792,144)	(71,704)	(863,848)	(156,555)	(1,020,403)
Segment result after depreciation	(857,532)	811,159	(46,373)	(62,722)	(109,095)	483,143	740,373	1,223,516	(113,333)	1,110,183
Reconciliation of segment sales and results with sales and Loss before levies and income tax:										
Total sales for reportable segments					30,410,413					16,989,881
Elimination of inter-segment sales from subsidiary companies					(4,082,373)					(2,976,300)
Sales					26,328,040					14,013,581
Total results for reportable segments			(46,373)	(62,722)	(109,095)			1,223,516	(113,333)	1,110,183
Other expenses			(166,837)	(8,135)	(174,972)			(120,715)	(113,347)	(234,062)
Other income			111,710	44,641	156,351			289,650	123,471	413,121
Finance costs			(1,539,267)	(61,070)	(1,600,337)			(1,494,587)	(169,391)	(1,663,978)
Investment income - Dividend			-	-	-			8,538	-	8,538
			(1,640,767)	(87,286)	(1,728,053)			(93,598)	(272,600)	(366,198)
Elimination of intra group transaction					53,871					38,357
Loss before levies and income tax					(1,674,182)					(327,841)
Assets and liabilities by segments are as follows:										
Segment assets	26,751,822	1,174,288	27,926,110	3,708,822	31,635,932	28,461,355	814,558	29,275,913	4,075,586	33,351,499
Segment liabilities	12,717,005	141,778	12,858,783	1,782,215	14,640,998	14,207,708	475,164	14,682,872	2,038,916	16,721,788
Reconciliation of segments assets and liabilities with total in the consolidated statement of financial position is as follows:										
				Assets	Liabilities				Assets	Liabilities
Total for reportable segments				31,635,932	14,640,998				33,351,499	16,721,788
Unallocated				6,310,895	10,005,532				5,313,198	6,618,926
Elimination of intra group balances				(794,695)	(343,327)				(995,312)	(478,445)
Total as per consolidated statement of financial position				37,152,132	24,303,203				37,669,385	22,862,269
Other segment information is as follows:										
Depreciation on property, plant and equipment	1,455,235	61,565	1,516,800	187,544	1,708,344	792,144	71,704	863,848	156,555	1,020,403
Capital expenditures incurred during the year	198,007	-	198,007	241,114	439,121	2,096,335	8,823	2,105,158	176,572	2,281,730
Unallocated capital expenditure incurred during the year					1,045,948					497,473
Total					1,485,069					2,779,203

44.3 All non-current assets of the Group as at June 30, 2025 are located in Pakistan. Parent Company's local sales represents sales to various external customers in Pakistan whereas export sales represents sales to customers in United State of America and Europe.

44.4 Revenue from major customer individually accounting for more than 10% of the Group's revenue was Rs.4,511.958 million (2024 Rs.5,947.955 million).

	Note	(Metric Tons) 2025	2024
45 PLANT CAPACITY AND ACTUAL PRODUCTION			
Polyester Filament Yarn	45.1		
Annual capacity-75 denier		**51,044**	43,424
Annual capacity-150 denier		**101,324**	86,280
Actual production		**47,424**	52,517
Polyester P.E.T. Preforms	45.2		
Annual capacity-27 gms		**31,512**	31,512
Actual production		**18,808**	12,676
Knitted Fabrics	45.3		
Annual capacity		**1,636**	1,090
Actual production		**871**	699
		(KWH in Thousand)	
Electric Power	45.4		
Annual operating capacity		**319,392**	276,865
Actual production		**114,382**	95,382

45.1 The capacity is determined based on 75 denier and 24 filaments/150 denier and 48 filaments. Actual production represents production of various deniers.

45.2 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 Parent Company is lacking the sizes of preforms, which are in demand. The actual production of preforms (various grammage) in pieces was 739.278 million (2024: 462.150 million) against annual capacity (based on 27 gms) of 1,167 million pieces.

45.3 The actual production versus annual capacity is lower on account of market demand of the Parent Company's product, moreover the production is increasing gradually.

45.4 The actual production versus annual capacity is lower on account of plant operations of Subsidiary Company Messrs. G-Pac Energy started in January 2025 and annual capacity includes capacities of standby gas generators as well as spare HFO generators and requirement of well optimum running load on gas engines.

46 TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand) 2025	2024
Novatex Limited	Related Party	Common directorship	Sales of goods and other material	**1,102,112**	4,097,801
			Rendering of services	**3,442,098**	1,850,154
			Purchase of raw and other material	**1,204,725**	1,273,202
			Obtaining of services	**-**	170,861
			Rent	**22,777**	23,976
			Reimbursement of expenses	**328,514**	414,935
Krystalite Product (Private) Limited	Related Party	Common key management	Sales of goods and other material	**5,001**	173,981
			Sale of property, plant and equipment	**-**	2,450
			Reimbursement of expenses	**1,656**	2,585
Mustaqim Dyeing & Printing Ind (Private) Limited	Related Party	Common directorship	Sale of goods	**222,540**	391,261
			Rendering of services	**37,354**	-
			Reimbursement of expenses	**730**	-
Gani & Tayub (Private) Limited	Related Party	Common directorship	Rent	**7,800**	7,800
Nova Frontiers Limited	Related Party	Common directorship	Issuance of Right Shares	**-**	5,581,649
			Reimbursement of expenses	**80**	-

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand) 2025	2024
Gatron Foundation	Related Party	Common directorship	Payment of donation	-	3,954
Pharmnova (Private) Limited	Related Party	Common key management	Reimbursement of expenses	**9,971**	-
G-Pac Corporation	Related Party	Common directorship	Sale of goods	**207,096**	415
			Reimbursement of expenses	**101**	-
G&T Tyres (Private) Limited	Related Party	Common directorship	Purchase of other material	**824**	544
Nova Mobility (Private) Limited	Related Party	Common key management	Purchase of other material	**32**	-
			Reimbursement of expenses	**214**	84
Krystosoft (Private) Limited	Related Party	Common directorship	Acquisition of services	**57**	-
Lotte Chemical Pakistan Limited	Related Party	Common directorship	Purchase of material	**4,836,279**	2,243,621
Gatron (Ind) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	**7,094**	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 43 of KMP and note 5.3 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 Group considers its Chief Executive, Executive Directors and other executives to be KMP

47 PROVIDENT FUND RELATED DISCLOSURES

	(Rupees in Thousand) 2025 (Un-audited)	2024 (Audited)
The Following information is based on latest financial statements of the Funds.		
Size of the Funds - Total Assets	**158,048**	150,977
Cost of Investments made	**155,543**	150,208
Fair value of investments	**156,703**	149,868
Percentage of investments made (Fair value to size of the fund)	**99.15%**	99.27%

47.1 The Break-up of cost of investments is:

	(Rupees in Thousand) 2025 Amount	2025 %	2024 Amount	2024 %
Bank Deposits	**155,543**	**100.00%**	150,208	100.00%

47.2 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.

48 NUMBER OF EMPLOYEES

	(Number of employees) 2025	2024
Total number of employees as at June 30	**749**	772
Average number of employees during the year	**767**	824

49 **DATE OF AUTHORISATION FOR ISSUE**

These consolidated financial statements were authorized for issue on October 04, 2025 by the Board of Directors of the Parent Company.

50 **GENERAL**

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

SHABBIR DIWAN	**MUHAMMAD IQBAL BILWANI**	**MUHAMMAD NAEEM**
Chief Executive Officer	Director	Chief Financial Officer

Proxy Form

FORTY FIVE ANNUAL GENERAL MEETING

I/We, ________________________________ of ______________________________

being a Shareholder of **Gatron (Industries) Limited** and holding ______________________

Ordinary Shares as per Register Folio No. ______________________ or "CDC" Participant's

I.D. No. ________________ A/c No. ________________________ hereby appoint

Mr. / Ms. ____

of ____________________ or failing him/her Mr. / Ms. ______________________ of

________________________ as my/our Proxy in my/our absence to attend and vote for me/us

and on my/our behalf at the 45TH Annual General Meeting of the Company to be held on Monday, October 27, 2025, at 03:30 p.m., at Makran Hall, Serana Hotel Quetta, Zarghun Road Quetta, and at any adjournment thereof.

Signed this ______________ day of , ________________ 2025.

Witness:

Signature on Revenue Stamp of Rs.5/-

1. Signature ______________________
   Name ______________________
   Address ______________________
   CNIC No. ______________________

2. Signature ______________________
   Name ______________________
   Address ______________________
   CNIC ______________________

Notes:

1. The proxy form in order to be valid must be signed across five rupees revenue stamp and should be deposited with the company not later than 48 hours before the time of holding the meeting.
2. The proxy must be a member of the company.
3. Signature should agree with the specimen signature, registered with the company.
4. CDC shareholders and their proxies must attach either an attested photocopy of their Computerized National Identity Card or Passport with this proxy form.
5. In case of corporate entity, the Board of Director's Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

مختار نامہ (پراکسی فارم)

پینتالیسواں سالانہ عام اجلاس

میں/ہم ______________________ ساکن ______________________

بحیثیت رکن گیٹرون (انڈسٹریز) لمیٹڈ ______________ حامل عمومی حصص بمطابق رجسٹرڈ فولیو نمبر ______________ اور/یا سی ڈی سی

شرکتی آئی ڈی نمبر ______________________ اور ذیلی اکاؤنٹ نمبر ______________________

جناب/محترمہ ______________________ ساکن ______________________ یا

بصورت دیگر جناب/محترمہ ______________________ ساکن ______________________

کو اپنی/ہماری ایماء پر اکسی کے طور پر نامزد کرتا/کرتے ہیں تاکہ وہ میری/ہماری غیر موجودگی میں کمپنی کے 45ویں سالانہ اجلاس عام، جو پیر، 27 اکتوبر 2025 کو دوپہر 03:30 بجے بمقام مکران ہال، سیرینا ہوٹل کوئٹہ، زرغون روڈ، کوئٹہ میں منعقد کیا جائے گا، اور التواء کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہونے پر، میری/ہماری طرف سے شرکت کرے اور ووٹ دے۔

دستخط مورخہ __________ 2025ء دن __________ کو ثبت ہیں۔

گواہان

1) دستخط : ______________________

نام : ______________________

شناختی کارڈ نمبر : ______________________

پتہ : ______________________

____

2) دستخط : ______________________

نام : ______________________

شناختی کارڈ نمبر : ______________________

پتہ : ______________________

____

نوٹس:

1۔ پراکسی فارم کو درست تصور کیے جانے کے لیے اس پر پانچ روپے کے ریونیو اسٹامپ کے اوپر دستخط ہونا ضروری ہیں اور اسے اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے پاس جمع کرایا جانا چاہیے۔

2۔ پراکسی لازمی طور پر کمپنی کا رکن ہونا چاہیے۔

3۔ دستخط کمپنی کے پاس رجسٹرڈ نمونہ دستخط سے مطابقت رکھنے چاہئیں۔

4۔ سی ڈی سی حصص یافتگان اور ان کے پراکسی حضرات کو اس پراکسی فارم کے ساتھ اپنے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی منسلک کرنی ہوگی۔

5۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمونہ دستخط پراکسی فارم کے ساتھ جمع کرانی ہوگی۔