GATRON (INDUSTRIES) LIMITED

REPORT ON THE AUDIT OF THE SPECIAL PURPOSE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2025

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

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

REPORT ON THE AUDIT OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed special purpose consolidated financial statements of **Gatron (Industries) Limited,** (the Company) which comprise the consolidated statement of financial position as at December 31, 2025, and 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 half year ended December 31, 2025 (hereinafter referred as the half year ended December 31, 2025), and notes to the special purpose consolidated financial statements including a material accounting policy information.

In our opinion, the accompanying special purpose consolidated financial statements of the Company for the half year ended December 31, 2025 are, prepared in all material respects, in accordance with the basis of preparation as disclosed in Note 3 of the special purpose financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the contents of notes 28.1.1 of the annexed special purpose 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 special purpose consolidated Financial Statements. Our opinion is not qualified in respect of this matter

Basis of Accounting and Restriction on Distribution and Use

We draw attention to note 3 to the special purpose consolidated financial statements which describes the basis of preparation. The annexed special purpose consolidated financial statements are prepared in order to make compliance of section 282 (2) (e) of the Companies Act, 2017 is respect of the intended Scheme of Arrangement as more fully explained in note 1.2 of the special purpose financial statements.

As a result, these special purpose consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the use of the Board of Directors in connection with the above-mentioned purpose and should not be distributed to or used to any other purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Board of Directors for the Special Purpose Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with basis of preparation as disclosed in note 3 to the special purpose consolidated financial statements and for such internal control as management determines is necessary to enable the preparation of special purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose 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.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

We also provide those charged with governance 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, actions taken to eliminate threats or safeguards applied.

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

Kreston Hyder Bhimji & Co.

Chartered Accountants
Karachi
Dated: April 17, 2026

GATRON (INDUSTRIES) LIMITED

SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	Note	December 2025	June 2025
		(Rupees in Thousand)	
ASSETS			
Non - Current Assets			
Property, plant and equipment	5	20,651,202	21,257,284
Intangible asset	6	45,114	50,127
Long term loans	7	5,697	3,023
Long term deposits	8	6,936	6,936
		20,708,949	21,317,370
Current Assets			
Stores, spare parts and loose tools	9	2,600,866	2,767,246
Stock in trade	10	6,719,325	7,313,274
Trade debts	11	4,229,129	4,662,811
Loans and advances	12	183,619	596,525
Current portion of long term loans	7	20,816	19,010
Trade deposits and short term prepayments	13	131,678	11,082
Other receivables	14	731,580	332,635
Advance income tax		-	50,000
Short term investment	15	350,000	-
Cash and bank balances	16	277,791	132,179
		15,244,804	15,884,762
TOTAL ASSETS		35,953,753	37,202,132
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	1,087,290	1,087,290
Reserves	18	10,954,805	11,761,639
		12,042,095	12,848,929
LIABILITIES			
Non - Current Liabilities			
Long term financing	19	7,064,323	7,628,310
Lease liability against right of use assets	20	59,182	71,666
Deferred liabilities and income	21	1,194,077	1,229,499
		8,317,582	8,929,475
Current Liabilities			
Trade and other payables	22	7,538,453	5,257,300
Unclaimed dividend		775	853
Unpaid dividend	23	20,801	20,801
Accrued mark-up/ profit	24	460,853	480,103
Short term borrowings	25	4,840,725	6,909,208
Current portion of long term financing	19	1,540,941	1,488,520
Current portion of lease liability against right of use assets	20	26,627	23,322
Current portion of deferred liabilities and income	26	969,031	976,055
Provision for levies and income tax less payments	27	195,870	267,566
		15,594,076	15,423,728
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		35,953,753	37,202,132

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

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

Buying/Selling closing conversion rates were 1 US$ = Rs.280.05/280.55, 1 Euro € = Rs.329.22/329.81 and 1 Pound £ = Rs.377.07/377.77

GATRON (INDUSTRIES) LIMITED

SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	(Rupees in Thousand)	
		Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
Sales	29	13,528,614	26,328,040
Cost of sales	30	13,174,945	25,488,673
Gross profit		353,669	839,367
Distribution and selling costs	31	163,277	446,117
Administrative expenses	32	258,042	502,345
Other expenses	33	44,270	121,101
		465,589	1,069,563
		(111,920)	(230,196)
Other income	34	138,461	106,910
Operating profit/(loss)		26,541	(123,286)
Finance cost	35	669,253	1,550,896
Loss before levies and income tax		(642,712)	(1,674,182)
Levies	36	168,656	329,842
Loss before income tax		(811,368)	(2,004,024)
Income tax	37	(10,094)	10,657
Loss for the period/year		(801,274)	(2,014,681)
Loss per share - **Basic and diluted (Rupees)**	38	(7.37)	(18.53)

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

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

GATRON (INDUSTRIES) LIMITED
SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
		(Rupees in Thousand)	
Loss for the period/year		**(801,274)**	(2,014,681)
Other comprehensive (loss)/income			
Items that will never be reclassified to statement of profit or loss			
(Loss)/gain on remeasurement of defined benefit plan having nil tax impact	21.2	(5,560)	56,494
Total comprehensive loss		(806,834)	(1,958,187)

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

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

GATRON (INDUSTRIES) LIMITED

SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Rupees in Thousand)					
		Reserves				
	Share capital	Capital reserves (note 18)	General reserve	(Accumulated loss)/ Unappropriated profit	Sub Total	Total
Balances as at July 01, 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
Total comprehensive loss for the six months period ended December 31, 2025						
Loss for the period	-	-	-	(801,274)	(801,274)	(801,274)
Other comprehensive loss	-	-	-	(5,560)	(5,560)	(5,560)
	-	-	-	(806,834)	(806,834)	(806,834)
Balances as at December 31, 2025	**1,087,290**	**11,656,603**	**285,000**	**(986,798)**	**10,954,805**	**12,042,095**

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

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

GATRON (INDUSTRIES) LIMITED
SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	(Rupees in Thousand) Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
Cash flows from/(towards) Operating Activities			
Loss before levies and income tax		(642,712)	(1,674,182)
Adjustments for non cash income and expenses:			
Depreciation on property, plant and equipment	5.2	998,685	1,704,344
Depreciation on right of use assets	5.6.1	12,320	24,639
Amortization of intangible asset	6	5,013	10,025
Provision for defined benefit plan	21.2	71,326	144,952
Gain on disposal of property, plant and equipment	34	(12,080)	(23,758)
Impairment of allowance for ECL-net	11.5	43,498	45,761
Impairment allowance for slow moving stores, spare parts and loose tools-net	33	470	21,411
Remeasurement gain on discounting of provision for GIDC	34	-	(11,008)
Finance costs	35	669,253	1,550,896
		1,788,485	3,467,262
		1,145,773	1,793,080
Decrease/(increase) in current assets:			
Stores, spare parts and loose tools		165,910	57,258
Stock in trade		593,949	189,750
Trade debts		390,184	(1,192,347)
Loans and advances		412,906	(167,873)
Trade deposits and short term prepayments		(120,596)	72,571
Other receivables		(398,945)	628,871
		1,043,408	(411,770)
Increase/(decrease) in trade and other payables		2,281,153	(1,090,226)
Cash flows from operations		4,470,334	291,084
(Payment for)/receipts of:			
Long term loans		(4,480)	910
Defined benefit plan	21.2	(38,021)	(41,473)
Finance costs		(679,336)	(1,599,439)
Income tax		(180,258)	(253,263)
Net cash flows from/(towards) operating activities		3,568,239	(1,602,181)
Cash flows (towards)/from Investing Activities			
Additions in property, plant and equipment		(416,203)	(1,485,069)
Proceeds from disposal of property, plant and equipment	5.3	23,360	48,503
Decrease in short term investments		-	296,297
Net cash flows towards investing activities		(392,843)	(1,140,269)
Cash flows (towards)/from Financing Activities			
Long term financing - proceeds received		108,797	286,053
Long term financing - repayments		(701,674)	(1,039,695)
Payments for lease liability against right of use assets		(18,346)	(34,668)
Short term borrowings - net (fixed term instruments)		(157,434)	142,609
Dividend paid		(78)	(7,366)
Net cash flows towards financing activities		(768,735)	(653,067)
Net increase/(decrease) in cash and cash equivalents		2,406,661	(3,395,517)
Cash and cash equivalents at the beginning of the period/year		(6,469,595)	(3,074,078)
Cash and cash equivalents at the end of the period/year	39	(4,062,934)	(6,469,595)

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

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

1 THE GROUP AND ITS OPERATIONS

1.1 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/liaison office of the Company is situated at 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi. The plant 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.

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

(i) NFL will cancel the shares held by the certain categories of shareholders (collectively referred to as the "Outgoing Shareholders"), resulting in a corresponding reduction in NFL's share capital. As consideration for the aforesaid, the 29.33% shareholding of Gatron, currently held by NFL will be cancelled upto the ratio determined through valuation and new shares of Gatron will be issued to the Outgoing Shareholders/Beneficial Owners of Outgoing Shareholders of NFL in lieu of cancellation of their shareholding in NFL on the basis of SWAP ratio to be determine by the KPMG Taseer Hadi & Co Chartered Accountants.

(ii) Gatron will cancel 2.98% shareholding (comprising 3,240,774 shares) currently held by the G&T, and will issue new shares of the Company directly to the shareholders of G&T.

2 BASIS OF CONSOLIDATION

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

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

3.3 Statement of compliance

These special purpose 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 half year ended December 31, 2025

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

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

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 special purpose consolidated financial statements other than certain additional disclosures.

		Effective from accounting period beginning on or after:
IAS-21	Amendments regarding translations to a hyperinflationary	January 1, 2027
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 December 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

3.5 Critical Accounting Estimates and Judgments

The preparation of special purpose 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 special purpose 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 21.2. 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, regulation 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 special purpose 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, 2025. The principal material policies applied in the preparation of these special purpose 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 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 December 31, 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.

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Profits and gains derived by the Subsidiary Companies i.e. Gatro Power (Private) Limited and G-Pac Energy (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 special purpose 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 42.

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) December 2025	June 2025
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	19,013,194	19,391,804
Capital work in progress	5.5	1,573,621	1,788,773
Right of use assets	5.6	64,387	76,707
		20,651,202	21,257,284

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												
Period ended December 31, 2025												
Net book value (NBV) as at 01st July, 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**
Additions-Direct	-	-	-	-	-	91,804	-	3,227	-	17,894	-	**112,925**
Transfer from capital work in progress (note 5.5)	-	-	-	-	-	449,788	-	-	-	-	68,642	**518,430**
Less: Disposal at NBV (note 5.3)	-	-	-	-	-	514	-	-	-	10,766	-	**11,280**
Less: Depreciation (note 5.2)	-	-	13,347	81,317	30	846,963	171	9,150	1,009	26,532	20,166	**998,685**
Net book value as at 31st December 2025	**355,593**	**47,265**	**253,593**	**1,545,015**	**566**	**16,347,590**	**1,533**	**82,886**	**7,709**	**241,853**	**129,591**	**19,013,194**
Gross carrying value												
At December 31, 2025												
Cost	355,593	47,265	297,389	2,428,942	3,571	27,095,173	6,097	203,847	26,297	493,842	522,553	**31,480,569**
Less: Accumulated depreciation	-	-	43,796	883,927	3,005	10,747,583	4,564	120,961	18,588	251,989	392,962	**12,467,375**
Net book value	**355,593**	**47,265**	**253,593**	**1,545,015**	**566**	**16,347,590**	**1,533**	**82,886**	**7,709**	**241,853**	**129,591**	**19,013,194**
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, 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	

5.2 Depreciation for the period/year has been allocated as follows:

		(Rupees in Thousand)	
		December 2025	June 2025
Cost of sales	**30**	**992,815**	1,692,497
Distribution and selling costs	**31**	**1,684**	2,749
Administrative expenses	**32**	**4,186**	9,098
		998,685	1,704,344

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

Description	Cost	Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyers
PLANT AND MACHINERY						
Items having book value upto Rs.500 thousand each	15,133	514	2,235	1,721	Various	Various
Sub Total	**15,133**	**514**	**2,235**	**1,721**		
MOTOR VEHICLES						
SUZUKI SWIFT DLX BRG-502	2,050	595	1,230	635	Company Policy	**Mr. Mehmood Ahsan** Employee of the company
TOYOTA YARIS ATIV BVB - 835	2,675	1,167	2,050	883	Company Policy	**Mr. Akram** Employee of the company
SUZUKI CULTUS VXL BRM-170	1,855	520	1,531	1,011	Company Policy	**Mr. Kashif Iqbal** Employee of the company
TOYOTA COROLLA GLI BRK-428	2,875	806	1,626	820	Company Policy	**Mr. Aftab Ahmed** Employee of the company
KIA PICANTO 1.0 MT BVX-153	2,191	960	2,066	1,106	Company Policy	**Mr. Naseem** Employee of the company
TOYOTA COROLLA GLI BQX-741	2,855	742	1,631	889	Company Policy	**Mr. Aamir** Employee of the company
SUZUKI ALTO AGS BZF-692	2,799	1,846	2,890	1,044	Insurance claim	**Messrs. EFU General Insurance Limited** - Karachi
TOYOTA COROLLA GLI, BRK-450	2,875	792	1,651	859	Company Policy	**Mr. Asim Hashmi** Employee of the company
HONDA BRV, S CVT BL-0260	4,968	2,574	4,471	1,897	Company Policy	**Mr. Iqbal Raza** Employee of the company
Items having book value upto Rs.500 thousand each	1,992	764	1,979	1,215	Various	Various
Sub Total	**27,135**	**10,766**	**21,125**	**10,359**		
Total - December 2025	**42,268**	**11,280**	**23,360**	**12,080**		
Total - June 2025	116,484	24,745	48,503	23,758		

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

Particulars	Location	Approximate Area
Land		
Freehold	Plots # 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	Plots # 34 & 36 at Manghopir, Gadap Town, Karachi	13 Acres
Leasehold	Plots # 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, 2025	Additions	Transfer to Operating fixed assets	Balance as at December 31, 2025
Plant and machinery under erection	1,788,773	303,278	(518,430)	1,573,621
	1,788,773	303,278	(518,430)	1,573,621
	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

5.5.1 It includes borrowing cost of Rs.Nil (June 2025: Rs.1.948 million). Effective rate of borrowing cost Nil% (June 2025: 11.21% to 12.14%).

	Note	December 2025	June 2025
		(Rupees in Thousand)	
5.6 Right of use assets			
Rented Premises:			
Balance as at start of the period/year		76,707	108,825
Effect of lease modification during the period/year		-	(7,479)
Depreciation for the period/year	5.6.1	(12,320)	(24,639)
Balance as at end of the period/year		64,387	76,707
5.6.1 Allocation of depreciation			
Distribution and selling costs	31	4,184	8,368
Administrative expenses	32	8,136	16,271
		12,320	24,639

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		Note	(Rupees in Thousand) December 2025	June 2025
6	**INTANGIBLE ASSET**			
	Software & licences			
	Balance as at start of the period/year		50,127	60,152
	Amortization during the period/year	32	(5,013)	(10,025)
	Balance as at end of the period/year		45,114	50,127
	Useful life		8 Years	8 Years
7	**LONG TERM LOANS - Considered good**			
	Secured - Interest free			
	To employees other than Chief Executive & Directors	7.1 & 7.2	26,513	22,033
	Amount due in twelve months shown under current assets		(20,816)	(19,010)
	Recoverable within three years		5,697	3,023

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	December 2025	June 2025
8	**LONG TERM DEPOSITS**			
	Security deposits for utilities and others		6,936	6,936
9	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	In hand:			
	Stores		1,056,413	1,151,966
	Spare parts		1,691,872	1,773,832
	Loose tools		14,482	15,396
			2,762,767	2,941,194
	Impairment allowance for slow moving stores, spare parts and loose tools	9.1	(177,352)	(176,882)
			2,585,415	2,764,312
	In transit		15,451	2,934
			2,600,866	2,767,246
9.1	**Impairment allowance for slow moving stores, spare parts and loose tools**			
	Balance as at start of the period/year		176,882	155,471
	Impairment allowance for the period/year	33	470	21,411
	Balance as at end of the period/year		177,352	176,882
10	**STOCK IN TRADE**			
	Raw and packing material		2,026,262	1,097,642
	Raw and packing material in transit		23,885	327,624
	Goods in process		1,094,641	1,993,722
	Unfinished goods held for sale		1,206	1,206
	Finished goods	10.1	3,573,331	3,893,080
			6,719,325	7,313,274

10.1 These include items costing Rs.94.520 million (June 2025: Rs.78.767 million) valued at net realizable value of Rs.75.237 million (June 2025: Rs.60.889 million).

Kuba

11 TRADE DEBTS	Note	(Rupees in Thousand) December 2025	June 2025
Considered good			
Secured - Export	11.1, 11.2 & 11.3	71,850	60,777
Unsecured - local	11.4	4,157,279	4,602,034
		4,229,129	4,662,811
Allowance for ECL - local			
Unsecured - local		260,079	216,581
Allowance for ECL - local	11.5	(260,079)	(216,581)
		-	-
		4,229,129	4,662,811

11.1 These represent balances of US$ 0.257 million (June 2025: US$ 0.214 million).

11.2 These include Rs.71.468 million (June 2025: Rs.60.390 million) due from a related party Messrs. G-Pac Corporation. The maximum aggregate amount due at any month end during the period/year was Rs.152.245 million (June 2025: Rs.170.030 million).

Not past due	60,933	60,390
Past due 1-30 days	10,535	-
	71,468	60,390

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

11.4 These include related parties balances are as follows:

a) Rs.77.990 million (June 2025: Rs.940.978 million) due from a related party Messrs. Novatex Limited and this amount is not past due and not outstanding for more than three months. The maximum aggregate amount due at any month end during the period/year was Rs.1,816.054 million (June 2025: Rs.940.978 million).

b) Rs.Nil (June 2025: Rs.Nil) due from a related party Messrs. Krystalite Products (Private) Limited. The maximum aggregate amount due at any month end during the period/year was Rs.0.006 million (June 2025: Rs.15.431 million).

c) Rs.254.236 million (June 2025: Rs.294.067 million) due from a related party Messrs. Mustaqim Dyeing & Printing Ind (Private) Limited. The maximum aggregate amount due at any month end during the period/year was Rs.329.555 million (June 2025: Rs.312.023 million).

Not past due	14,791	13,870
Past due 1-30 days	22,378	15,036
Past due 31-90 days	36,813	27,251
Past due 91-180 days	54,926	44,657
Past due 180 days	125,328	193,253
	254,236	294,067

11.5 **Allowance for ECL - local**	Note		
Balance as at start of the period/year		216,581	170,820
Charge for the period/year		80,219	134,351
Reversals since recovered		(36,721)	(88,590)
Charge for the period/year - net	33	43,498	45,761
Balance as at end of the period/year		260,079	216,581

12 LOANS AND ADVANCES - Considered good	Note		
Secured			
Advances to employees	12.1	3,211	3,506
Unsecured			
Advances:			
to suppliers and contractors	12.2	165,341	586,068
for imports		15,067	6,951
		180,408	593,019
		183,619	596,525

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

12.2 These include advances against purchase of vehicles Rs.34.950 million (June 2025: Rs.5.665 million).

		Note	(Rupees in Thousand) December 2025	June 2025
13	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
	Margins held by banks	13.1	7,217	8,265
	Security deposits		900	300
	Prepayments		123,561	2,517
			131,678	11,082

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

		Note	December 2025	June 2025
14	OTHER RECEIVABLES - **Considered good**			
	Receivable from suppliers	14.1	277,847	118,401
	Claims receivable from suppliers		7,531	7,531
	Sales tax		368,299	130,964
	Partial alleged sales tax demand paid	28.1.5, 28.1.16, 28.1.18 & 28.1.30	30,483	30,483
	Partial alleged income tax demand paid	28.1.13 & 28.1.20	43,169	43,169
	Others	14.2	4,251	2,087
			731,580	332,635

14.1 These include balances receivable:

a) Rs.Nil (June 2025: Rs.11.445 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 period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.27.155 million (June 2025: Rs.24.918 million).

b) Balances receivable in foreign currency of US$ 0.972 million & Euro:0.017 million (June 2025: US$ 0.357 million & Euro:0.017 million).

14.2 These include related parties balances are as follows:

a) Rs.1.745 million (June 2025: Rs.Nil) receivable from a related party Messrs. Novatex Limited on account of reimbursement of expenses and balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.197.187 million (June 2025 Rs.175.499 million).

b) Rs.Nil (June 2025: Rs.0.011 million) receivable from a related party Messrs. Krystalite Product (Private) Limited on account of reimbursement of expenses and this balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.1.037 million (June 2025: Rs.2.459 million).

c) Rs.0.020 million (June 2025: Rs.0.116 million) receivable from a related party Messrs. Nova Mobility (Private) Limited and this balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.0.945 million (June 2025: Rs.0.150 million).

d) Rs.0.166 million (June 2025:Rs.Nil) receivable from a related party Messrs. Krystopac Energy (Private) Limited and this balance is not past due as at period/year end. The maximum aggregate amount due at any month end during the period/year was Rs.0.166 million (June 2025: Rs.Nil).

		Note	December 2025	June 2025
15	SHORT TERM INVESTMENT			
	Term deposit receipt - Shariah compliant	15.1	350,000	-

15.1 This carries profit rate @10% and matured on January 15, 2026.

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	Note	December 2025	June 2025
		(Rupees in Thousand)	

16 CASH AND BANK BALANCES

	Note	December 2025	June 2025
Cash in hand		2,292	2,728
Cash at banks			
In current accounts : Local currency		271,217	90,875
In saving accounts : Local currency	16.1	786	1,711
In current accounts : Foreign currency	16.2	3,496	36,865
	16.3	275,499	129,451
		277,791	132,179

16.1 These include security deposits received from contractors Rs.0.680 million (June 2025 Rs.1.605 million) refer note 22.5. These carries profit ranging from 5.15% to 7.10%.

16.2 These represent balances of US$ 11,741.35 and Euro € 629.98 (June 2025: US$ 129,252.57 and Euro € 629.98).

16.3 Balance in bank accounts includes an amount of Rs.32.992 million (June 2025: Rs.57.777 million) kept with Shariah compliant banks.

17 SHARE CAPITAL

	December 2025 (Number of Shares)	June 2025 (Number of Shares)		December 2025	June 2025
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 (June 2025: 3,240,774) shares held by a related party, Messrs. Gani & Tayub (Private) Limited, Nil (June 2025: 31,895,139) shares held by associated companies Messrs. Novatex Limited and 31,895,139 (June 2025: Nil) shares held by Messrs. Nova Frontiers Limited.

18 RESERVES

These includes Capital Reserves as follows:

	Note	December 2025	June 2025
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 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	(Rupees in Thousand) December 2025	June 2025
19	**LONG TERM FINANCING - Secured**			
	from banking companies Under Shariah compliant			
	Meezan Bank Limited	19.1	1,414,612	1,568,687
	Dubai Islamic Bank Pakistan Limited	19.2	42,436	46,608
	United Bank Limited	19.3	1,348,419	1,422,957
	Bank Al-Falah Limited	19.4	737,981	792,860
	Meezan Bank Limited	19.5	1,031,395	1,137,056
	Habib Metropolitan Bank Limited	19.6	74,576	78,684
	Faysal Bank Limited	19.7	143,249	154,207
	Faysal Bank Limited	19.8	909,595	981,001
	Habib Bank Limited	19.9	2,142,624	2,222,623
	Bank Al-Habib Limited	19.10	111,030	116,188
	First Habib Modaraba	19.11	285,210	333,630
	Soneri Bank Limited	19.12	29,863	31,852
	Bank Al-Habib Limited	19.13	85,000	90,000
	MCB Islamic Bank Limited	19.14	249,274	140,477
			8,605,264	9,116,830
	Current maturity shown under current liabilities		(1,540,941)	(1,488,520)
			7,064,323	7,628,310

19.1 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.2,500 million out of which Rs.2,465.193 million (June 2025: 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.

Balance as at start of the period/year	1,568,687	1,876,836
Repayments during the period/year	(154,075)	(308,149)
Balance as at end of the period/year	1,414,612	1,568,687

19.2 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.120 million out of which Rs.88.204 million (June 2025: 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 period/year	46,608	54,815
Repayments during the period/year	(4,172)	(8,207)
Balance as at end of the period/year	42,436	46,608

19.3 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.2,200 million out of which Rs.2,200 million (June 2025: Rs.2,200 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 period/year	1,422,957	1,353,117
Amortization of government scheme	62,962	129,360
Repayments during the period/year	(137,500)	(59,520)
Balance as at end of the period/year	1,348,419	1,422,957

19.4 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.1,000 million out of which Rs.1,000 million (June 2025: Rs.1,000 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.

	(Rupees in Thousand) December 2025	June 2025
Balance as at start of the period/year	792,860	894,258
Amortization of government scheme	7,621	16,140
Repayments during the period/year	(62,500)	(117,538)
Balance as at end of the period/year	737,981	792,860

19.5 This represents Diminishing Musharakah amounting to Rs.1,900 million out of which Rs.1,554.482 million (June 2025: 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 period/year	1,137,056	1,348,376
Repayments during the period/year	(105,661)	(211,320)
Balance as at end of the period/year	1,031,395	1,137,056

19.6 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.120 million out of which Rs.119.904 million (June 2025: Rs.119.904 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 period/year	78,684	80,006
Amortization of government scheme	3,386	6,849
Repayments during the period/year	(7,494)	(8,171)
Balance as at end of the period/year	74,576	78,684

19.7 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.280 million out of which Rs.217.113 million (June 2025: 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 period/year	154,207	178,018
Repayments during the period/year	(10,958)	(23,811)
Balance as at end of the period/year	143,249	154,207

19.8 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.1,200 million out of which Rs.1,142.508 million (June 2025: 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 period/year	981,001	1,123,815
Repayments during the period/year	(71,406)	(142,814)
Balance as at end of the period/year	909,595	981,001

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 (June 2025: Rs.2,255.522 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.

	(Rupees in Thousand) December 2025	June 2025
Balance as at start of the period/year	2,222,623	2,116,194
Loan obtained during the period/year	-	139,328
Repayments during the period/year	(79,999)	(32,899)
Balance as at end of the period/year	2,142,624	2,222,623

19.10 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.200 million out of which Rs.200 million (June 2025: Rs.200 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 period/year	116,188	120,031
Amortization of government scheme	7,342	14,907
Repayments during the period/year	(12,500)	(18,750)
Balance as at end of the period/year	111,030	116,188

19.11 This represents Diminishing Musharakah amounting to Rs.508 million out of which Rs.457.200 million (June 2025: 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 period/year	333,630	430,470
Repayments during the period/year	(48,420)	(96,840)
Balance as at end of the period/year	285,210	333,630

19.12 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.38 million out of which Rs.33.528 million (June 2025: Rs.33.528 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).

Balance as at start of the period/year	31,852	27,280
Loan obtained during the period/year	-	6,248
Repayments during the period/year	(1,989)	(1,676)
Balance as at end of the period/year	29,863	31,852

19.13 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.100 million out of which Rs.100 million (June 2025: 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 period/year	90,000	100,000
Repayments during the period/year	(5,000)	(10,000)
Balance as at end of the period/year	85,000	90,000

19.14 This represents Diminishing Musharakah amounting to Rs.300 million out of which Rs.249.274 million (June 2025: Rs.140.477 million) obtained during April 2025 to December 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 December 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.

	(Rupees in Thousand) December 2025	June 2025
Balance as at start of the period/year	140,477	-
Loan obtained during the period/year	108,797	140,477
Balance as at end of the period/year	249,274	140,477

20 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

	December 2025	June 2025
Balance as at start of the period/year	94,988	122,769
Effect of lease modification during the period/year	-	(7,479)
Accretion of interest	9,167	14,366
Payment of lease liabilities	(18,346)	(34,668)
	85,809	94,988
Current maturity shown under current liabilities	(26,627)	(23,322)
Balance as at end of the period/year	59,182	71,666

	(Rupees in Thousand) December 2025 Minimum Lease Payments	December 2025 Present Value of Lease Payments	June 2025 Minimum Lease Payments	June 2025 Present Value of Lease Payments
Lease liabilities are payable as follows:				
Within one year	38,231	26,627	36,994	23,322
Later than one year and not later than five years	66,158	59,182	85,740	71,666
Total minimum lease payments	104,389	85,809	122,734	94,988
Less: Financial charges allocated to future periods	(18,580)	-	(27,746)	-
Present value of minimum lease payments	85,809	85,809	94,988	94,988
Less: Current portion of lease liabilities	(26,627)	(26,627)	(23,322)	(23,322)
	59,182	59,182	71,666	71,666

21 DEFERRED LIABILITIES AND INCOME

	Note	(Rupees in Thousand) December 2025	June 2025
Deferred Liabilities			
Deferred tax - net	21.1	-	-
Defined benefit plan	21.2	712,781	673,916
Provision for Gas Infrastructure Development Cess (GIDC)	21.3	-	-
Deferred income			
Deferred Income - Government scheme	21.4	481,296	555,583
		1,194,077	1,229,499

21.1 This comprises of the following major timing differences:

	December 2025	June 2025
Taxable temporary difference arising due to:		
tax depreciation allowances	1,576,890	1,550,630
right of use asset	24,885	27,547
Deductible temporary difference arising due to:		
Impairment allowance for ECL	(75,423)	(62,808)
Impairment allowance for slow moving stores, spare parts and loose tools	(38,083)	(38,006)
Tax losses adjustable against future tax liability	(1,488,269)	(1,477,363)
	-	-

At the reporting date, deferred tax asset amounting to Rs.1,611.304 million (June 2025: Rs.1,617.759 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.

21.2 Actuarial valuation of the plan was carried out as at December 31, 2025. The calculation for provision of defined benefit plan is as under:

	Note	December 2025 (Rupees in Thousand)	June 2025
Movement of the present value of defined benefit obligation (PVDBO)			
Balance as at start of the period/year		673,916	626,931
Charge for the period/year	21.2.1	71,326	144,952
Remeasurement loss/(gain)		5,560	(56,494)
Payments during the period/year		(38,021)	(41,473)
Balance as at end of the period/year		712,781	673,916

21.2.1 **Charge for the year**

	Note	December 2025	June 2025
Current service cost		30,395	60,085
Markup cost		40,931	84,867
		71,326	144,952
Allocation are as follows:			
Cost of Sales	30.1	37,545	73,890
Distribution and selling costs	31.1	2,902	6,029
Administrative expenses	32.1	30,879	65,033
		71,326	144,952

The principal actuarial assumptions used were as follows:

	December 2025	June 2025
Discount rate	11.50%	12.50%
Future salary increase rate	11.50%	12.50%
Withdrawal Rate	Moderate	Moderate
Mortality	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005

Sensitivity Analysis

	December 2025 PVDBO (Rupees in Thousand)	December 2025 Percentage Change	June 2025 PVDBO (Rupees in Thousand)	June 2025 Percentage Change
Current Liability	712,781	-	673,916	-
+ 1% Discount Rate	680,551	(4.52%)	643,577	(4.50%)
- 1% Discount Rate	750,196	5.25%	709,123	5.22%
+ 1% Salary Increase Rate	753,371	5.69%	712,119	5.67%
- 1% Salary Increase Rate	677,370	(4.97%)	640,575	(4.95%)
+ 10% Withdrawal Rates	711,317	(0.21%)	672,532	(0.21%)
- 10% Withdrawal Rates	714,310	0.21%	675,360	0.21%
1 Year Mortality age set back	712,803	0.00%	673,936	0.00%
1 Year Mortality age set forward	712,761	(0.00%)	673,896	(0.00%)

Maturity profile	December 2025 (Rupees in Thousand) Undiscounted payments	June 2025
Year 1	206,648	205,303
Year 2	26,509	26,235
Year 3	15,722	15,378
Year 4	38,951	38,580
Year 5	32,938	32,596
Year 6 to 10	132,204	130,658
Year 11 and above	479,645	472,595

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	December 2025	June 2025
			(Rupees in Thousand)	
21.3	**Provision for Gas Infrastructure Development Cess**			
	Balance at start of the period/year		814,887	814,658
	Remeasurement gain on discounting of provision for GIDC	34	-	(11,008)
	Un-winding of long term provision for GIDC	35	-	11,237
			814,887	814,887
	Current portion of Gas Infrastructure Development Cess	26	(814,887)	(814,887)
			-	-

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 held 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.

21.4 **Deferred Income - Government scheme**

This represents the value of benefit of below-market markup rate on the loans obtained under Islamic Temporary Economic Refinance Scheme (ITERF) disclosed in note 19.3, 19.4, 19.6 & 19.10 to these special purpose 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	December 2025	June 2025
Opening balance		716,751	884,007
Amortization of government scheme		(81,311)	(167,256)
		635,440	716,751
Current portion of government scheme	26	(154,144)	(161,168)
		481,296	555,583

		Note	December 2025	June 2025
22	**TRADE AND OTHER PAYABLES**			
	Trade creditors	22.1	925,877	1,494,461
	Bills payable	22.2	2,824,920	995,241
	Accrued expenses	22.3	402,925	278,310
	Advance payments from customers - unsecured	22.4	1,197,686	595,519
	Security deposits from contractors	22.5	680	1,605
	Workers' Welfare Fund		96	96
	Provisions	22.6	2,061,990	1,749,802
	Withholding taxes		19,084	25,680
	Payable to Provident Fund Trusts		1,214	1,345
	Other liabilities	22.7	103,981	115,241
			7,538,453	5,257,300

22.1 These include related parties balances are as follows:

a) Rs.150.387 million (June 2025: Rs.38.425 million) payable to a related party Messrs. Novatex Limited.

b) Rs.Nil (June 2025: Rs.643.305 million) payable to a related party Messrs. Lotte Chemical Pakistan Limited.

22.2 These include balances payable in foreign currency of US$ 10.069 million (June 2025: US$ 3.454 million and Euro:0.042 million).

22.3 These includes related parties balances are as follows:

a) Rs.4.323 million (June 2025: Rs.6.689 million) payable to a related party Messrs. Novatex Limited on account of reimbursement of expenses.

b) Rs.0.371 million (June 2025: Rs.Nil) payable to a related party Messrs. Krystalite Products (Private) Limited.

c) Rs.0.102 million (June 2025: Rs.0.102 million) payable to a related party Messrs. G-Pac Corporation.

d) Rs.0.737 million (June 2025: Rs.0.676 million) payable to a related party Messrs. Mustaqim Dyeing & Printing Ind (Pvt) Ltd.

22.4 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.

22.5 This represents return-free security deposits from contractors held in separate bank account, refer note 16.1.

		Note	(Rupees in Thousand)	
			December 2025	June 2025
22.6	Provisions for:			
	Enhanced gas rate	22.6.1 & 22.6.2	447,171	447,171
	Infrastructure Cess on imports	22.6.3	1,008,323	879,634
	Sales tax	22.6.4	284,715	284,715
	Others	22.6.5	6,786	6,786
	Gas levy	22.6.6	314,995	131,496
			2,061,990	1,749,802

22.6.1 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 (June 2025: Rs.316.797 million). As an abundant precaution, the Group has made total provision of Rs.159.264 million (June 2025: 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.

22.6.2 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 22.6.1). As an abundant precaution, the Group has made provision of Rs.287.907 million (June 2025: 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.

22.6.3 Movement is as under:

Balance as at start of the period/year	879,634	716,117
Provision made during the period/year	128,689	163,517
Balance as at end of the period/year	1,008,323	879,634

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.1,028.365 million (June 2025: Rs.878.365 million) in favor of Excise and Taxation Department, in respect of consignments cleared after December 27, 2006 (refer note 28.2). Full provision after December 27, 2006 has been made in these special purpose 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 (June 2025: Rs.32.500 million) in favor of Excise and Taxation Department, in respect of consignments cleared after April 13, 2018 (refer note 28.2). Full provision after April 13, 2018 has been made in these special purpose 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 (June 2025: Rs.3.000 million) in favor of Excise and Taxation Department, in respect of consignments cleared (refer note 28.2). Full provision has been made in these special purpose consolidated financial statements as an abundant precaution.

22.6.4 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.

22.6.5 This represents provision of Gas Infrastructure Development Cess amounting to Rs.4.131 million (June 2025: Rs.4.131 million) and rate difference of gas tariff Rs.2.655 million (June 2025: Rs.2.655 million) on account of common expenses payable by the Parent Company to a related party Messrs. Novatex Limited.

22.6.6 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. The Honorable Balochistan High Court, vide judgment dated 28.10.2025, dismissed the Petition on the ground of non-maintainability due to lack of territorial jurisdiction. Thereafter, Subsidiary Companies filed Civil Petition for Leave to Appeal No. 3 of 2025 before the Federal Constitutional Court (FCC) on 01.12.2025. The matter is presently pending for adjudication.

22.7 These include Rs.74.583 million (June 2025: Rs.69.042 million) received from employees under Group 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 Parent Company due to pending approval from the State Bank of Pakistan.

	Note	December 2025 (Rupees in Thousand)	June 2025 (Rupees in Thousand)
24 ACCRUED MARK UP/PROFIT			
Profit on long term financing		360,110	320,767
Mark up/profit on short term borrowings		100,743	159,336
	24.1	460,853	480,103

24.1 This includes accrued profit of Rs.460.752 million (June 2025: Rs.479.800 million) under Shariah compliant arrangements.

25 SHORT TERM BORROWINGS - Secured

From banking companies under mark up/profit arrangements	December 2025	June 2025
Running finance - Under Conventional	151,385	763,716
- Under Shariah compliant	4,539,340	5,838,058
	4,690,725	6,601,774
Short term finance - Under Shariah compliant	-	157,434
Export re-finance - Under Shariah compliant	150,000	150,000
	4,840,725	6,909,208

25.1 The Company has aggregate facilities of short term borrowings amounting to Rs.13,594 million (June 2025: Rs.13,594 million) from various banks (as listed in Note 25.3) out of which Rs.8,753 million (June 2025: Rs.6,685 million) remained unutilized at the period/year end. The mark up/profit rates during the period for running finance and Musharakah ranges between 11.29% to 11.49%, for short term finance 11.08% to 12.18% and for export refinance 6.90% to 8.00% 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 Parent Company.

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

	Note	(Rupees in Thousand) December 2025	June 2025
26 CURRENT PORTION OF DEFERRED LIABILITIES AND INCOME			
Gas Infrastructure Development Cess	21.3	814,887	814,887
Deferred Income - Government scheme	21.4	154,144	161,168
		969,031	976,055
27 PROVISION FOR LEVIES AND INCOME TAX LESS PAYMENTS			
Balance as at start of the period/year		267,566	200,330
Provision - Current		168,656	338,103
- Prior		(10,094)	2,396
		158,562	340,499
		426,128	540,829
Payments		(230,258)	(332,457)
Adjustment of income tax refund against tax liability		-	59,194
		(230,258)	(273,263)
Balance as at end of the period/year		195,870	267,566

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

28.1.1 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.

28.1.2 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.

28.1.3 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.

28.1.4 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. Based on the merits of the case, the management is confident that the case will be decided in favor of the Parent Company.

28.1.5 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 14). 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 special purpose consolidated financial statements as the Parent Company is confident that the matter will be decided in favor by the appellate authorities.

28.1.6 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.

28.1.7 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.

28.1.8 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 special purpose consolidated financial statements.

28.1.9 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.

28.1.10 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.

28.1.11 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 (June 2025: 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.

28.1.12 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 special purpose consolidated financial statements.

28.1.13 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, which has been decided by the Federal Constitutional Court of Pakistan that the Super Tax is intra vires the Constitution. The amount of Super Tax has been fully provided in these Special purpose consolidated financial statements.

28.1.14 Income tax return for tax year 2019 has been amended by the DCIR vide order dated June 29, 2020 creating tax demand of Rs.1.594 million while abolishing refund of Rs.35.819 million as claimed in ITR 2019 against which the 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.

28.1.15 Through Finance Act, 2019, section 65B of the Income Tax Ordinance, 2001 was amended to disallow credit on investment in plant & machinery from tax year 2020 and onwards. Consequently, the tax credit in respect of LCs opened on or before 30th June 2019 was also disallowed 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.

28.1.16 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 14). 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 special purpose consolidated financial statements.

28.1.17 Tax Department issued notices thereby disallowing adjustment of Workers Welfare Fund (WWF) against income tax refund of tax year 2018, 2019 and 2020 amounting Rs.16.216 million, Rs.20.373 and Rs.3.022 million respectively. The 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 special purpose consolidated financial statements.

28.1.18 Tax Department has raised demand of Rs.21.294 million on the basis of sales tax audit for the tax periods from July 2017 to June 2018. The 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 14). 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.

28.1.19 The Tax Department disallowed expenses of Rs.45.6 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2016. However, no income tax demand was raised owing to taxable losses both before and after amendment of assessment proceedings. 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.

28.1.20 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 14). Now the Federal Constitutional Court of Pakistan has decided that the Super Tax matter is intra vires the Constitution. The amount of Super Tax has been fully provided in these special purpose consolidated financial statements.

28.1.21 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.

28.1.22 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.

28.1.23 The Tax Department disallowed expenses of Rs.52.021 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2020. However, no income tax demand was raised owing to tax refundable position both before and after amendment of assessment proceedings. The 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.

28.1.24 The Tax Department disallowed expenses of Rs.74 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2022. However, no income tax demand was raised owing to tax refundable position both before and after amendment of assessment proceedings. The 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.

28.1.25 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.

28.1.26 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.

28.1.27 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 dated: November 01, 2024 before ATIR against the said order. However, the Parent Company has deposited the demanded amount into Government Treasury.

28.1.28 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 dated: August 01, 2025 before Balochistan Appellate Tribunal against the said order. The case has been decided in favor of the Parent Company, vide order dated Sep 15, 2025, by remanding back to the officer for reassessment. No provision has been made in these special purpose consolidated financial statements.

28.1.29 Income tax return for the Tax Year 2024 was amended by the ADCIR vide order dated July 18, 2025 resulting in reduction of tax refund of Rs.2.3 million against which the Parent Company filed an appeal on Aug 16, 2025 before CIRA. The case has been heard and reserved for order.

28.1.30 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.

28.1.31 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 special purpose consolidated financial statements.

28.1.32 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 special purpose consolidated financial statements.

28.1.33 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 special purpose consolidated financial statements.

28.1.34 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) December 2025	June 2025
28.2	**Guarantees**			
	Bank Guarantees in favour of:			
	The Director Excise & Taxation, Karachi	22.6.3	1,063,865	913,865
	The Electric Inspector, President Licencing Board, Quetta		10	10
	Pakistan State Oil Company Limited		41,500	41,500
	K-Electric Limited		18,496	18,496
	Nazir of the High Court of Sindh, Karachi	28.1.11	15,351	15,351
	Sui Southern Gas Company Limited		350,000	-
	Attock Petroleum Limited		34,000	-
	Revolving & stand by Letter of Credit in favour of:			
	Sui Southern Gas Company Limited for Gas		1,572,480	1,572,480
			3,095,702	2,561,702

28.3 Commitments

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

	December 2025	June 2025
Foreign currency:		
Property, plant and equipment	432,652	399,047
Raw and packing material	1,272,884	1,051,555
Spare parts and others	37,547	55,752
	1,743,083	1,506,354
Local currency:		
Property, plant and equipment	-	2,366
Raw material	742,448	-
	742,448	2,366
	2,485,531	1,508,720

		Note	(Rupees in Thousand) Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
29	SALES			
	Gross local sales		13,609,940	26,438,717
	Processing charges		2,143,642	4,123,067
			15,753,582	30,561,784
	Less: Sales tax		2,405,796	4,670,300
			13,347,786	25,891,484
	Export sales		180,828	436,556
			13,528,614	26,328,040
30	COST OF SALES			
	Raw and packing material consumed		6,951,393	15,641,914
	Stores, spare parts and loose tools consumed		323,990	853,002
	Salaries, wages, allowances and benefits	30.1	960,154	2,134,272
	Power, fuel and gas		2,437,777	5,306,916
	Rates and taxes		2,130	12,579
	Insurance		110,841	259,675
	Cartage and transportation		125,972	245,065
	Repairs and maintenance		53,213	111,496
	Communications and Computer		1,853	3,405
	Water supply		1,914	18,023
	Travelling		3,121	10,228
	Sundry expense		20,680	45,958
	Depreciation	5.2	992,815	1,692,497
			11,985,853	26,335,030
	Scrap sales	30.2	(29,738)	(202,169)
			11,956,115	26,132,861
	Opening stock of goods-in-process		1,993,722	1,392,301
	Opening stock of unfinished goods held for sale		1,206	32,744
	Closing stock of goods-in-process		(1,094,641)	(1,993,722)
	Closing stock of unfinished goods held for sale		(1,206)	(1,206)
	Cost of goods manufactured		12,855,196	25,562,978
	Opening stock of finished goods		3,893,080	3,818,775
	Closing stock of finished goods		(3,573,331)	(3,893,080)
			13,174,945	25,488,673

30.1 These include Rs.3.638 million (June 2025: Rs.7.094 million) and Rs.37.545 million (June 2025: Rs.73.890 million) respectively, representing contribution to defined contribution plan/provident fund by the Group and expenditure on defined benefit plan/gratuity.

30.2 Net off sales tax amounting to Rs.6.243 million (June 2025: Rs.40.730 million).

		Note	Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
31	DISTRIBUTION AND SELLING COSTS			
	Salaries, wages, allowances and benefits	31.1	36,440	68,330
	Insurance		1,506	2,549
	Rates and taxes		7,109	17,515
	Handling, freight and transportation		96,865	315,708
	Advertisement and sales promotion		150	292
	Communications		749	869
	Travelling		467	2,225
	Legal and professional fee		1,386	-
	Sundry expense		12,737	27,512
	Depreciation	5.2	1,684	2,749
	Depreciation right of use assets	5.6.1	4,184	8,368
			163,277	446,117

31.1 These include Rs.2.902 million (June 2025: Rs.6.029 million) representing expenditure on defined benefit plan/gratuity.

		Note	(Rupees in Thousand) Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
32	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages, allowances and benefits	32.1	197,826	361,665
	Rates and taxes		734	4,220
	Insurance		3,864	9,197
	Repairs and maintenance		4,990	2,971
	Travelling		1,366	5,498
	Communications		4,155	8,901
	Legal and professional fees		4,794	13,535
	Utilities		6,558	15,608
	Printing and stationery		446	879
	Transportation		11,221	21,421
	Sundry expense		4,753	23,056
	Depreciation	5.2	4,186	9,098
	Depreciation right of use assets	5.6.1	8,136	16,271
	Amortization of intangible asset	6	5,013	10,025
			258,042	502,345

32.1 These include Rs.30.879 million (June 2025: Rs.65.033 million) representing expenditure on defined benefit plan/gratuity.

		Note	Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
33	**OTHER EXPENSES**			
	Impairment allowance for ECL - net	11.5	43,498	45,761
	Impairment allowance for slow moving stores, spare parts and loose tools - net	9.1	470	21,411
	Exchange loss - net		-	44,321
	Auditors' remuneration	33.1	302	9,608
			44,270	121,101
33.1	**Auditors' remuneration**			
	Audit fee - Annual financial statements			
	Parent Company - Gatron (Industries) Limited		-	3,200
	Subsidiary Company - Gatro Power (Private) Limited		-	800
	Subsidiary Company - Global Synthetics Limited		-	22
	Subsidiary Company - G-Pac Energy (Private) Limited		-	175
	Audit fee - Special purpose financial statements	33.1.1		
	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	33.1.1	-	200
	Limited review, audit of annual consolidated financial statements and certification fee		125	435
	Sindh Sales Tax on services		10	675
	Out of pocket expenses		167	503
			302	9,608

33.1.1 The fee incurred in respect of audit of these special purpose finacial statements are fully borne by Nova Frontier Limited.

	Note	(Rupees in Thousand) Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
34 OTHER INCOME			
Income from financial assets			
Profit on deposits		10,402	36,170
Income from non - financial assets & others			
Gain on disposal of property, plant and equipment	5.3	12,080	23,758
Liabilities no more payable written back		-	7,369
Amortization of Government Scheme		81,311	24,378
Exchange gain - net		34,509	-
Remeasurement gain on discounting of provision for GIDC	21.3	-	11,008
Miscellaneous income		159	4,227
		128,059	70,740
		138,461	106,910

	Note	Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
35 FINANCE COST			
Profit on long term financing		415,466	828,485
Interest on lease liability against right of use assets		9,167	14,366
Mark up/profit on short term borrowings		237,458	690,624
Un-winding of long term provision for GIDC	21.3	-	11,237
Bank charges and guarantee commission		7,162	6,184
	35.1	669,253	1,550,896

35.1 It includes finance costs under Shariah Complaint arrangement amounting to Rs.655.288 million (June 2025: Rs.1,520.737 million).

	Note	Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
36 LEVIES			
Final tax		-	1,833
Minimum tax		168,656	328,009
	37.1	168,656	329,842

37.1 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	Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
37 INCOME TAX			
For the current period/year		-	10,094
For the prior year		(10,094)	563
	37.1	(10,094)	10,657

37.1 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.

	Jul-2025 to Dec-2025	Jul-2024 to Jun-2025
38 LOSS PER SHARE - BASIC AND DILUTED		
Loss for the period/year	(801,274)	(2,014,681)
	(Number of Shares)	
Weighted average number of Ordinary Shares in issue during the period/year	108,728,960	108,728,960
	(Rupees)	
Loss per share - Basic and diluted	(7.37)	(18.53)

38.1 There is no dilutive effect on the basic loss per share of the Group.

	Note	(Rupees in Thousand)	
39 CASH AND CASH EQUIVALENTS			
Short term investment	15	350,000	-
Cash and bank balances	16	277,791	132,179
Short term borrowings - Running finance	25	(4,690,725)	(6,601,774)
		(4,062,934)	(6,469,595)

40 FINANCIAL INSTRUMENTS

	(Rupees in Thousand) December 2025	June 2025
Financial assets as per statement of financial position		
- Measured at amortized cost		
Loans and advances	29,724	25,539
Deposits	15,053	15,501
Trade debts	4,229,129	4,662,811
Other receivables	282,098	120,488
Short term investment	350,000	-
Cash and bank balances	277,791	132,179
	5,183,795	4,956,518

	December 2025	June 2025
Financial liabilities as per statement of financial position		
- Measured at amortized cost		
Long term financing	8,605,264	9,116,830
Lease liability against right of use assets	85,809	94,988
Trade and other payables	4,185,014	2,817,161
Unclaimed dividend	775	853
Unpaid dividend	20,801	20,801
Accrued mark up/profit	460,853	480,103
Short term borrowings	4,840,725	6,909,208
	18,199,241	19,439,944

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

40.1 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.

40.2 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.

40.2.1 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 and Euro. The Group's Exposure to foreign currency risk is as follows:

	(Rupees in Thousand)	
	December 2025	June 2025
Trade creditors	179,534	179,786
Bills Payable	2,824,920	995,241
	3,004,454	1,175,027
Trade Debts	(71,850)	(60,777)
Receivable from suppliers	(277,847)	(106,956)
Cash at bank in foreign currency accounts	(3,496)	(36,865)
	(353,193)	(204,598)
	2,651,261	970,429
Commitments - Outstanding letters of credit	1,743,083	1,505,354
Net exposure	4,394,344	2,475,783

The following significant exchange rates have been applied:

	Rupees			
	Average rate		Reporting date rate	
	December 2025	June 2025	December 2025	June 2025
Buying				
USD to PKR	280.88	278.85	280.05	283.60
Euro to PKR	326.22	303.38	329.22	332.29
Selling				
USD to PKR	281.38	279.35	280.55	284.10
Euro to PKR	326.81	303.97	329.81	332.87

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	
	December 2025	June 2025	December 2025	June 2025
Effect on statement of profit or loss				
USD to PKR	440,105	238,406	438,815	242,477
Euro to PKR	615	4,752	620	5,202
	440,720	243,158	439,435	247,679

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:

	December 2025	June 2025	(Rupees in Thousand) December 2025	June 2025
	Effective rate (in %)		Carrying amount	
Financial Assets				
Variable rate instruments				
Short term investment	10.00	-	350,000	-
Bank balance	5.15 - 7.10	5.00 - 19.26	786	1,711
Financial Liabilities				
Variable rate instruments				
Long term financing	10.60 - 12.35	11.73 - 22.25	(4,415,314)	(4,540,597)
Short term borrowings	6.90 - 12.18	8.40 - 22.52	(4,840,725)	(6,909,208)
			(8,905,253)	(11,448,094)

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 2025.

	Statement of profit or loss before tax	
	100 bp increase	100 bp decrease
As at December 31, 2025		
Cash flow sensitivity - Variable rate	(89,053)	89,053
As at June 30, 2025		
Cash flow sensitivity - Variable rate	(114,481)	114,481

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.

40.2.2 **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 risk

The carrying amount of the financial assets represent the maximum credit exposure before any credit enhancements. Out of total financial assets of Rs.5,183.795 million (June 2025: Rs.4,956.518 million), financial assets of Rs.5,181.503 million (June 2025: Rs.4,953.790 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)	
	December 2025	June 2025
Loans and advances	29,724	25,539
Deposits	15,053	15,501
Trade debts	4,229,129	4,662,811
Other receivables	282,098	120,488
	4,511,227	4,783,299
Short term investment	350,000	-
Bank balances	275,499	129,451
	5,181,503	4,953,790

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	1,282,108	1,558,335
Past due 1-30 days	1,321,977	1,409,991
Past due 31-90 days	1,150,864	959,941
Past due 91-180 days	388,547	293,325
Past due 180 days	627,810	778,288
	4,771,306	4,999,880
Allowance for ECL - local	(260,079)	(216,581)
	4,511,227	4,783,299

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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) December 2025	(Rupees in Thousand) June 2025
Askari Bank Limited	PACRA	A-1+	AA+	106	45
Bank Al-Falah Limited	PACRA	A-1+	AAA	105,268	23,522
Bank Al-Habib Limited	PACRA	A-1+	AAA	94,578	5,224
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	2,499	2,480
Faysal Bank Limited	PACRA	A-1+	AA	187	5,156
Habib Bank Limited	VIS	A-1+	AAA	7,542	1,295
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	30,413	51,331
MCB Bank Limited	PACRA	A-1+	AAA	5,302	6,459
MCB Islamic Bank Limited	PACRA	A-1	A+	387	277
Meezan Bank Limited	VIS	A-1+	AAA	18,983	25,879
National Bank of Pakistan	PACRA	A-1+	AAA	3,174	2,208
Soneri Bank Limited	PACRA	A-1+	AA-	4,826	559
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA	1,528	4,403
The Bank of Punjab	PACRA	A-1+	AA+	184	136
United Bank Limited	VIS	A-1+	AAA	522	477
				275,499	129,451

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

40.2.3 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 December 31, 2025, the Parent Company has Rs.13,594 million available borrowing limit from financial institutions. The Parent Company has unutilized borrowing facilities of Rs.8,753 million in addition to balances at banks of Rs.275 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)						
December 2025							
Long term financing	8,605,264	10,711,962	759,341	842,251	3,133,984	5,653,225	323,161
Lease liability against right of use assets	85,809	104,389	18,649	19,582	40,829	25,329	-
Trade and other payables	4,185,014	4,185,014	4,185,014	-	-	-	-
Unclaimed dividend	775	775	775	-	-	-	-
Unpaid dividend	20,801	20,801	20,801				
Accrued mark up/profit	460,853	460,853	460,853	-	-	-	-
Short term borrowings	4,840,725	4,975,364	4,975,364	-	-	-	-
	18,199,241	20,459,158	10,420,797	861,833	3,174,813	5,678,554	323,161
June 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	-	-	-	-
	10,439,944	21,774,144	11,374,158	1,328,333	3,184,871	5,578,469	308,313

40.3 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 December 31, 2025 and June 30, 2025 were as follows:

	(Rupees in Thousand) December 2025	June 2025
Total borrowings	13,445,989	16,026,038
Cash and bank balances	(277,791)	(132,179)
Net debt	13,168,198	15,893,859
Total equity	12,042,095	12,848,929
Total capital	25,210,293	28,742,788
Gearing ratio	52%	55%

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.

40.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	(Rupees in Thousand) December 2025				
	Long term loans	Short Term Borrowings	Dividend	Lease Liability	Total
Balance as at July 1, 2025	9,116,830	6,909,208	21,654	94,988	16,142,680
Changes from financing cash flows					
Repayment of long term loan	(701,674)	-	-	-	(701,674)
Proceeds from long term loan	108,797	-	-	-	108,797
Lease rentals paid	-	-	-	(18,346)	(18,346)
Accretion of interest	-	-	-	9,167	9,167
Dividend paid	-	-	(78)	-	(78)
Total changes from financing activities	(592,877)	-	(78)	(9,179)	(602,134)
Other changes	(39,343)	58,593	-	-	19,250
Interest expense	415,466	237,458	-	9,167	662,091
Interest paid	(376,123)	(296,051)	-	(9,167)	(681,341)
Deferred government grant recognized	81,311	-	-	-	81,311
Changes in short term borrowings	-	(2,068,483)	-	-	(2,068,483)
Total loan related other changes	81,311	(2,068,483)	-	-	(1,987,172)
Total equity related other changes	-	-	-	-	-
Balance as at December 31, 2025	8,605,264	4,840,725	21,576	85,809	13,553,374

	June 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

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

41 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	
	December 2025	June 2025	December 2025	June 2025	December 2025	June 2025	December 2025	June 2025
Managerial remuneration	7,074	14,148	4,518	9,036	267,216	572,612	278,808	595,796
Post Employment benefits	3,745	7,874	836	1,724	37,990	63,907	42,571	73,505
Other benefits	-	-	-	-	37,943	87,257	37,943	87,257
Reimbursement	-	16	-	13	216	10,140	216	10,169
	10,819	22,038	5,354	10,773	343,365	733,916	359,538	766,727
Number of persons for remuneration	1	1	1	1	199	179	201	181

41.1 Aggregate amount of meeting fee to 7 non-executive Directors was Rs.Nil (June 2025: Rs.1.600 million).

41.2 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.

41.3 During the year, a related party Messrs. Novatex Limited reimbursed Rs.69.949 million (June 2025: Rs.188.724 million) in respect of shared resources of certain directors and executives.

42 SEGMENT REPORTING

42.1 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 expenses, other income, finance costs and taxation are managed at Group level.

42.2 Segment results:

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

(Rupees in Thousand)

	December 2025					June 2025				
	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	12,320,114	1,208,500	13,528,614	2,110,611	15,639,225	23,523,990	2,804,050	26,328,040	4,082,373	30,410,413
Segment result before depreciation	523,988	390,315	914,303	16,732	931,035	597,703	872,724	1,470,427	124,822	1,595,249
Less: Depreciation on property, plant and equipment	(849,027)	(45,901)	(894,928)	(103,757)	(998,685)	(1,455,235)	(61,565)	(1,516,800)	(187,544)	(1,704,344)
Segment result after depreciation	(325,039)	344,414	19,375	(87,025)	(67,650)	(857,532)	811,159	(46,373)	(62,722)	(109,095)

Reconciliation of segment sales and results with Sales and Loss before levies and income tax:

Total sales for reportable segments					15,639,225					30,410,413
Elimination of inter-segment sales from subsidiary companies					(2,110,611)					(4,082,373)
Sales					13,528,614					26,328,040
Total results for reportable segments			19,375	(87,025)	(67,650)			(46,373)	(62,722)	(109,095)
Other expenses			(72,481)	(201)	(72,682)			(166,837)	(8,135)	(174,972)
Other income			150,938	4,955	155,893			111,710	44,641	156,351
Finance costs			(667,666)	(19,019)	(686,685)			(1,539,267)	(61,070)	(1,600,337)
			(569,834)	(101,290)	(671,124)			(1,640,767)	(87,286)	(1,728,063)
Elimination of intra group transaction					28,412					53,871
Loss before levies and income tax					(642,712)					(1,674,182)

Assets and liabilities by segments are as follows:

	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
Segment assets	25,005,128	933,730	25,938,858	3,766,382	29,705,240	26,751,822	1,174,288	27,926,110	3,709,822	31,635,932
Segment liabilities	13,857,211	170,955	14,028,166	1,930,874	15,959,040	12,717,005	141,778	12,858,783	1,782,215	14,640,998

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

	December 2025 Assets	December 2025 Liabilities	June 2025 Assets	June 2025 Liabilities
Total for reportable segments	29,705,240	15,959,040	31,635,932	14,640,998
Unallocated	6,974,471	8,255,620	6,360,895	10,055,532
Elimination of intra group balances	(725,958)	(303,002)	(794,695)	(343,327)
Total as per special purpose consolidated statement of financial position	35,953,753	23,911,658	37,202,132	24,353,203

Other segment information is as follows:

	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
Depreciation on property, plant and equipment	849,027	45,901	894,928	103,757	998,685	1,455,235	61,565	1,516,800	187,544	1,704,344
Capital expenditures incurred during the period/year	95,700	24,345	120,045	74,519	194,564	198,007	-	198,007	241,114	439,121
Unallocated capital expenditure incurred during the period/year					221,639					1,045,948
Total					416,203					1,485,069

42.3 All non-current assets of the Group as at December 31, 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.

42.4 Revenue from major customer individually accounting for more than 10% of the Group's revenue was Rs.2,592.914 million (June 2025 Rs.4,511.958 million).

	Note	(Metric Tons) December 2025	June 2025
43 PLANT CAPACITY AND ACTUAL PRODUCTION			
Polyester Filament Yarn	43.1		
Annual capacity-75 denier		51,044	51,044
Annual capacity-150 denier		101,324	101,324
Actual production		23,694	47,424
Polyester P.E.T. Preforms	43.2		
Annual capacity-27 gms		31,512	31,512
Actual production		10,291	18,808
Knitted Fabrics	43.3		
Annual capacity		1,636	1,636
Actual production		443	871
		(KWH in Thousand)	
Electric Power	43.4		
Annual operating capacity		321,960	319,392
Actual production		58,479	114,382

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

43.2 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 431.229 million (June 2025: 739.278 million) against annual capacity (based on 27 gms) of 1,167 million pieces.

43.3 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.

43.4 The actual production versus annual capacity is lower on account of plant operations of Subsidiary Companies Messrs. Annual capacity includes capacities of standby gas generators as well as spare HFO generators and requirement of well optimum running load on gas engines.

44 TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand) December 2025	June 2025
Novatex Limited	Related Party	Common directorship	Sales of goods and other material	818,352	1,102,112
			Rendering of services	1,775,389	3,442,098
			Purchase of raw and other material	402,634	1,204,725
			Rent	11,958	22,777
			Reimbursement of expenses	318,631	328,514
G-Pac Corporation	Related Party	Common directorship	Sale of goods	168,596	207,096
			Reimbursement of expenses	-	101
Gani & Tayub (Private) Limited	Related Party	Common directorship	Rent	3,900	7,800
Mustaqim Dyeing & Printing Ind (Private) Limited	Related Party	Common directorship	Sales of goods and other material	69,745	222,540
			Rendering of services	30,527	37,354
			Reimbursement of expenses	60	730
Nova Frontiers Limited	Related Party	Common directorship	Reimbursement of expenses	62	80
G&T Tyres (Private) Limited	Related Party	Common directorship	Purchase of other material	-	824
Krystosoft (Private) Limited	Related Party	Common directorship	Acquisition of services	-	57

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand) December 2025	June 2025
Krystopac Energy (Private) Limited	Related Party	Common directorship	Reimbursement of expenses	460	-
Lotte Chemical Pakistan Limited	Related Party	Common directorship	Purchase of raw material	157,522	4,836,279
Krystalite Product (Private) Limited	Related Party	Common key management	Sales of goods and other material	5	5,001
			Reimbursement of expenses	4,615	1,656
Nova Mobility (Private) Limited	Related Party	Common key management	Purchase of other material	-	32
			Reimbursement of expenses	849	214
Pharmnova (Private) Limited	Related Party	Common key management	Reimbursement of expenses	-	9,971
Gatron (Ind) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	3,638	7,094

- 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 41 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.

45 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

	Explanation		
Statement of Financial Position			
Assets:			
Short term investment	Shariah compliant	350,000	-
Cash at banks	Shariah compliant	32,991	57,777
Liabilities:			
Long term financing	Shariah compliant	8,605,264	9,116,830
Short term borrowings	Shariah compliant	4,689,340	6,145,492
Accrued profit on long term financing	Shariah compliant	360,110	320,767
Accrued profit on short term borrowings	Shariah compliant	100,642	159,033
Statement of Profit or loss			
Revenue earned	Shariah compliant	13,528,614	26,328,040
Scrap sales	Shariah compliant	29,738	202,169
Profit paid on long term financing	Shariah compliant	415,466	828,485
Profit paid on short term borrowings	Shariah compliant	237,214	689,935
Bank charges	Shariah compliant	2,608	2,317
Other income from Shariah Compliant:			
Profit on bank deposits and TDR	Shariah compliant	10,402	36,170
Gain on disposal of property, plant and equipment	Shariah compliant	12,080	23,758
Liabilities no more payable written back	Shariah compliant	-	7,369
Amortization of Government Scheme	Shariah compliant	81,311	24,378
Exchange gain - net	Shariah compliant	29,642	-
Remeasurement gain on discounting of provision for GIDC	Shariah compliant	-	11,008
Miscellaneous income	Shariah compliant	159	4,227

Relationship with shariah compliant banks and NBFC

Name of institutions	Relationship with institutions
Askari Bank Limited	Short term borrowings
Bank Al-Falah Limited	Bank balance, Long term financing and Short term borrowings
Bank Al-Habib Limited	Bank balance and Long term financing
Dubai Islamic Bank Pakistan Limited	Bank balance and Long term financing
Faysal Bank Limited	Bank balance and Long term financing
Habib Bank Limited	Bank balance, Long term financing and Short term borrowings
Habib Metropolitan Bank Limited	Short term investment, Bank balance, Long term financing and Short term borrowings
MCB Islamic Bank Limited	Bank balance, Long term financing and Short term borrowings
Meezan Bank Limited	Bank balance, Long term financing and Short term borrowings
Soneri Bank Limited	Long term financing and Short term borrowings
The Bank of Punjab	Bank balance
United Bank Limited	Bank balance and Long term financing
First Habib Modaraba	Long term financing

Takaful Operators

EFU General Insurance Limited - Window Takaful Operations
Jubilee General Insurance Company Limited – Window Takaful Operations
IGI General Insurance Limited – Window Takaful Operations
Alfalah Insurance Company Limited – Window Takaful Operations

		(Rupees in Thousand)	
		December 2025 (Un-audited)	June 2025 (Audited)
46	**PROVIDENT FUND RELATED DISCLOSURES**		
	The Following information is based on latest financial statements of the Funds.		
	Size of the Funds - Total Assets	163,853	158,048
	Cost of investments made	156,697	155,543
	Fair value of investments	162,639	156,703
	Percentage of investments made (Fair value to size of the fund)	99.26%	99.15%

		(Rupees in Thousand)			
		December 2025		June 2025	
		Amount	%	Amount	%
46.1	The Break-up of cost of investments is:				
	Bank Deposits	156,697	100.00%	155,543	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)	
		December 2025	June 2025
47	**NUMBER OF EMPLOYEES**		
	Total number of employees as at December 31/June 30	729	749
	Average number of employees during the period/year	741	767

48 **CORRESPONDING FIGURES**

Prior year's figure have been reclassified for the purpose of better presentation. Change made during the period is as follows:

Reclassification from component	Reclassification to component	(Rupees in Thousand)
Provision for levies and income tax less payments	Advance income tax	50,000

49 DATE OF AUTHORISATION FOR ISSUE

These special purpose consolidated financial statements were authorized for issue on April 17, 2026 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 TUFAIL**
Chief Executive Officer	Director	Chief Financial Officer