

The cover features a white background with large, sweeping blue and grey curved shapes in the top right and bottom right corners. The text is centered and reads:

ANNUAL
REPORT

2026

Gatron

GATRON (INDUSTRIES) LIMITED

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Corporate Information

Board of Directors

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

Special Advisor

Pir Muhammad Diwan

Audit Committee

Muhammad Tufail Iqbal -	Chairman
Muhammad Iqbal Bilwani	
Talat Iqbal	

HR & Remuneration Committee

Talat Iqbal	-	Chairman
Muhammad Iqbal Bilwani		
Saqib Haroon Bilwani		

Company Secretary

Shameer Haroon

Chief Financial Officer

Muhammad Tufail

Auditor

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

Legal Advisor

Naeem Ahmed Khan
Advocates
Quetta.

Shares Registrar

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

Bankers

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

Plant

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

Registered Office

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

Liaison/Correspondence Office

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

Email

headoffice@gatron.com

Website

www.gatron.com

Vision

To remain at the forefront of quality, innovation and cost competitiveness in the Manufacturing and Marketing of Polyester Filament Yarn, PET Preforms and other Polyester related products.

To achieve corporate success while achieving this vision.

Mission

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

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

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

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

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

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

Notice of Annual General Meeting

Notice is hereby given to the members that the 46th Annual General Meeting (AGM) of Gatron (Industries) Limited ("the Company") will be held on Monday, October 26, 2026 10:30 a.m., at Plot No.441/49-M2, Sector M, H.I.T.E., Main R.C.D. Highway, HUB, District Lasbela as well as through video conferencing facility to transact the following business:

Ordinary Business:

1. To confirm the minutes of the Extra Ordinary General Meeting held on June 10, 2026 and last Annual General Meeting held on October 27, 2025.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman. As required under Section 223(7) of the Companies Act 2017, the Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the QR enabled code and Weblink in the Notes.
3. To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of the Audit Committee of the Company, has proposed re-appointment of M/s. Kreston Hyder Bhimji & Company, Chartered Accountants as external auditors, for the year ending June 30, 2027.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Shameer Haroon
Company Secretary

September 18, 2026

NOTES:

1. Participation in the AGM via Video Conferencing Facility:

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

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

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 17, 2026, to October 26, 2026 (both days inclusive). Transfers received in order at the office of the Shares Registrar, M/s F.D. Registrar Services (Pvt.) Limited, Suit 1705-A, 17th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi, before the closure of business on October 16, 2026, will be considered in time for the purpose of attendance in the AGM.

3. Participation in the AGM:

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

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

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

4. SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD

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

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

5. PROVIDING INTERNATIONAL BANK ACCOUNT NUMBER (IBAN):

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

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

6. UNCLAIMED SHARES/DIVIDEND:

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

7. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT:

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

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

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

8. NOTIFY CHANGE OF ADDRESS:

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

9. TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS:

The SECP vide SRO No.389(1)/2023 dated March 21, 2023, has allowed listed companies to circulate their Annual Audited Financial Statements (i.e. the Annual Balance Sheet and Profit or Loss Account, Auditors Reports and Directors' Report) to its members through QR enabled code and web-link, which is shared below:

WEB-LINK

<https://gatron.com/investor.info/>



10. PROHIBITION OF GIFTS DISTRIBUTION:

In accordance with company policy and regulatory guidelines, no gifts or incentives shall be distributed at the AGM.

11. STATUTORY CODE OF CONDUCT AT ANNUAL GENERAL MEETING

Shareholders are requested to observe the conduct referred to in sub-regulation 2 of Regulation 55 of the Companies Regulations, 2024 while attending the Annual General Meeting

سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا اطلاع دی جاتی ہے کہ گیلٹرون (انڈسٹریز) لمیٹڈ ("کمپنی") کا سالانہ چھٹا لیسواں (46) اجلاس عام بروز پیر مورخہ، 26 اکتوبر 2026 کو صبح 10:30 بجے بمقام پلاٹ نمبر 441/49-M2، سیکٹر M، H.I.T.E، R.C.D. ہائی وے، جب، ضلع لہیلہ منعقد ہوگی، نیز ویڈیو کانفرنسنگ کی سہولت کے ذریعے بھی شرکت کی جاسکے گی، تاکہ درج ذیل امور انجام دیے جاسکیں:

عمومی امور

- 1 کمپنی کا غیر معمولی اجلاس عام منعقدہ 10 جون 2026 اور گزشتہ سالانہ اجلاس عام منعقدہ 27 اکتوبر 2025 کی کارروائی کی توثیق۔
- 2 30 جون 2026 کو اختتام پذیر ہونے والے مالی سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی حسابات مع آڈیٹرز ڈائریکٹرز کی رپورٹ بشمول چیئر مین کی جائزہ رپورٹ کی وصولی، غورو خوض اور منظوری۔ کمپنیز ایکٹ 2017 کی دفعہ (7) 223 کے تحت کمپنی کے مالی حسابات کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں جو نوٹس میں مندرجہ QR کوڈ اور ویب لنک کے ذریعے ڈاؤن لوڈ کیے جاسکتے ہیں۔
- 3 آئندہ سال کیلئے کمپنی کے ایکسٹرنل آڈیٹرز کا تقرر کرنا، اور ان کے معاوضے کو طے کرنا۔ بورڈ آف ڈائریکٹرز نے کمپنی کی آڈٹ کمیٹی کی سفارش پر 30 جون 2027 کو ختم ہونے والے سال کیلئے میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو ایکسٹرنل آڈیٹرز کے طور پر دوبارہ تقرر کرنے کی تجویز پیش کی ہے۔
- 4 چیئر مین اجلاس کی اجازت سے کسی اور کاروبار کو انجام دینا۔

حسب الحکم بورڈ

شمیر ہادون
کمپنی سیکریٹری

کراچی:

مورخہ: 18 ستمبر 2026ء

اراکین کے لیے اہم ہدایات

نوٹس:

- 1 **شیئر ہولڈرز کیلئے سالانہ اجلاس عام (AGM) میں ویڈیو کانفرنسنگ کی سہولت:**
سیکرٹری اینڈ ایگزیکٹو کمپنیشن آف پاکستان ("SECP") کی ہدایت کے مطابق، کمپنی نے ویڈیو کانفرنسنگ کی سہولت کا انتظام کیا ہے تاکہ اراکین ویڈیو لنک کے ذریعے بھی AGM کی کارروائی میں شریک ہو سکیں۔
وہ اراکین یا ان کے نمائندگان جو A G M میں ویڈیو لنک کے ذریعے شرکت کرنے کے خواہاں ہیں، انہیں اپنی تفصیلات کمپنی کے ای میل syed.hussain@gatron-novatex.com پر ارسال کر کے رجسٹر کروانی ہوں گی۔ ویڈیو لنک کی سہولت تک رسائی کے لیے رجسٹریشن کے خواہشمند ممبران ای میل بعنوان "رجسٹریشن برائے گیلٹرون (انڈسٹریز) لمیٹڈ" میں اپنا نام، فوٹیو نمبر، اپنے نام پر موجود شیئرز کی تعداد، مع شناختی کارڈ یا پاسپورٹ کی درست کاپی فراہم کریں۔ ویڈیو لنکس اور لاگ ان کی تفصیلات ان ممبران کے ساتھ شیئر کی جانیں گی جن کی ای میلز بمع تمام مطلوبہ تفصیلات، AGM کے انعقاد سے کم از کم 48 (اڑتالیس) گھنٹے قبل مندرجہ بالا ای میل ایڈریس پر موصول ہو جائیں گی۔
- 2 **شیئرز ٹرانسفر کتاب کی بندش:**
کمپنی کی شیئرز ٹرانسفر کتاب 17 اکتوبر 2026 تا 26 اکتوبر 2026 تک (بشمول دونوں دن) بند رہیں گی۔ شیئرز رجسٹر اری میسرز FD رجسٹر اری سروس (پرائیویٹ) لمیٹڈ سٹوٹ نمبر 1705، 17 ویں منزل، صائبر ٹریڈ ٹاور، آئی آئی چندریگر روڈ کراچی میں جو منتقلیاں 16 اکتوبر 2026 کو کاروباری اوقات کے اختتام سے قبل موصول ہو جائیں گی وہ سالانہ اجلاس عام میں شرکت کے مقصد کیلئے بروقت سمجھی جائیں گی۔
- 3 **سالانہ اجلاس عام میں شرکت:**
کوئی بھی ممبر جو اجلاس میں شرکت کرنے اور ووٹ دینے کا/کی حقدار ہے وہ اپنی جگہ شرکت کرنے کے لیے کسی دوسرے ممبر کو بطور اپنا/اپنی پر کسی مقرر کر سکتا/کر سکتی ہے۔ پراکسیز کے موثر ہونے کے لئے ضروری ہے کہ وہ اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے آفس میں موصول ہو جائیں۔
کارپوریٹ ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/یاور آف انارنی مع کارپوریٹ ادارہ کی جانب سے نمائندگی کرنے اور ووٹ ڈالنے کیلئے نامزد کردہ شخص کا نمونہ دستخط اور کارڈ CNIC کی تصدیق شدہ نقل پر کسی فارم کے ساتھ کمپنی کو پیش کیا جائے۔
کوئی بھی ممبر جس نے سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں اپنے شیئرز جمع کرائے ہیں، اجلاس میں شرکت کے وقت اصل CNIC یا NICOP یا پاسپورٹ کے ساتھ اپنا پائرنٹیڈ ID نمبر اور اکاؤنٹ/سب اکاؤنٹ نمبر لازماً ساتھ لائیں۔
- 4 **کمپیوٹرائزڈ شناختی کارڈ (CNIC) کی جمع آوری:**
شیئر ہولڈرز کے لیے ڈیویڈنڈ کی ادائیگی کے لیے کمپیوٹرائزڈ شناختی کارڈ (CNIC) یا نمینشل آئیڈینٹیفیکی کارڈ فار اوور سیز پاکستانیز (NICOP) فراہم کرنا لازمی ہے۔ لہذا تمام شیئر ہولڈرز سے گزارش ہے کہ اپنے درست CNIC یا NICOP کی نقول کمپنی کے شیئرز رجسٹر اری جمع کرائیں۔ بصورت دیگر، اگر درست CNIC یا NICOP موصول نہ ہو تو کمپنی ایسے شیئر ہولڈرز کے ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔

مزید برآں، NICOP/CNIC کی نقول بھیجئے وقت شیئر ہولڈرز اپنے متعلقہ فو لیو نمبر، CDC IAS اور CDC سب اکاؤنٹ نمبر (جو اسٹاک بروکرز کے پاس درج ہیں) ضرور درج کریں۔

5 انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) کی فراہمی:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرکلر لیٹر نمبر CL/CSD/Misc/2014-30 مورخہ 19 مارچ 2021 کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت دی ہے کہ وہ اپنے ان شیئر ہولڈرز سے IBAN حاصل کریں جنہوں نے ابھی تک فراہم نہیں کیا۔ لہذا تمام شیئر ہولڈرز سے گزارش ہے کہ اپنا IBAN جلد از جلد فراہم کریں تاکہ کمپنی کسی بھی نقد ڈیویڈنڈ کی ادائیگی کی صورت میں براہ راست الیکٹرانک ٹرانسفر کے ذریعے ان کے بینک اکاؤنٹس میں جمع کرا سکے۔ مزید یہ کہ جن ممبرز نے اپنا IBAN فراہم نہیں کیا ہوگا، ان کا کیش ڈیویڈنڈ کمپنی کی جانب سے کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز 2017 کی ریگولیشن 6 کی شق (ii) کے تحت روک لیا جائے گا اور کمپنی کے پاس جمع رہے گا۔

6 غیر دعوی شدہ شیئرز/ڈیویڈنڈ:

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

7 فزیکل شیئرز کی سی ڈی سی اکاؤنٹ میں جمع آوری:

کمپنی کے شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کی دفعہ 72 کے تحت کمپنیوں کے لیے لازم ہے کہ وہ اپنے فزیکل شیئرز کو کتابی اندراج (book-entry-form) میں تبدیل کریں، جو اس ایکٹ کے نفاذ کی تاریخ سے زیادہ سے زیادہ چار سال کی مدت میں مکمل کیا جانا ضروری ہے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے خط نمبر CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت دی ہے کہ وہ اپنے شیئر ہولڈرز سے رابطہ کریں جو اب تک اپنے شیئرز فزیکل صورت میں رکھتے ہیں، تاکہ انہیں بک انٹری فارم میں منتقل کیا جاسکے۔

مندرجہ بالا SECP کی ہدایت کے پیش نظر، وہ تمام شیئر ہولڈرز جو اپنے شیئرز فزیکل صورت میں رکھتے ہیں، سے گزارش ہے کہ انہیں بک انٹری فارم میں منتقل کرنے کے لیے فوری اقدامات کریں۔ اس مقصد کے لیے شیئر ہولڈرز کو سینٹرل ڈپازٹری کمپنی آف پاکستان یا پاکستان اسٹاک ایکسچینج کے کسی بھی ٹریڈنگ رائٹس انٹراکٹو سسٹم سرٹیفیکیٹ ہولڈر (سیکورٹیز بروکر) کے ساتھ اکاؤنٹ کھولنا ہوگا۔

بک انٹری فارم شیئرز کے فوائد درج ذیل ہیں: * یہ فوری طور پر ٹریڈنگ کے لیے دستیاب ہیں، جب کہ فزیکل شیئرز کی ٹریڈنگ فی الحال ممنوع ہے۔ * نقصان، گمشدگی، جعل سازی یا ڈپلیکیٹ سرٹیفیکیٹس کے خطرات سے محفوظ۔ * فزیکل شیئرز کو بک انٹری فارم میں منتقل کرنے پر اسٹامپ ڈیوٹی کم لگتی ہے۔ * سی ڈی ایس میں الیکٹرانک ٹرانسفر پر کوئی اسٹامپ ڈیوٹی لاگو نہیں۔ * ملکیت کی فوری منتقلی۔ * ڈیویڈنڈز اور دیگر کارپوریٹ حقوق (جیسے بونس، رائٹس اور نئے اجراء وغیرہ) کی فوری وصولی/کریڈٹ۔ * سیوریٹیڈ گورنری رکھنے کی سہولت وغیرہ۔

8 پتے میں تبدیلی کی آگاہی:

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

9 سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے 21 مارچ 2023 کے SRO کے ذریعے لسٹڈ کمپنیوں کو اجازت دی ہے کہ وہ اپنے سالانہ آڈٹ شدہ مالیاتی گوشوارے (یعنی سالانہ بیلنس شیٹ اور نفع و نقصان کا کھاتہ، آڈیٹرز کی رپورٹس اور ڈائریکٹرز کی رپورٹ) اپنے اراکین کو QR کوڈز اور ویب لنک کے ذریعے فراہم کر سکتی ہیں، جس کا لنک ذیل میں دیا گیا ہے:

 QR کوڈ	ویب لنک https://gatron.com/investor.info/
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10 تحائف کی تقسیم کی ممانعت:

کمپنی کی پالیسی اور ریگولیشنز ہدایت کے مطابق سالانہ عام اجلاس (AGM) میں کسی بھی قسم کے تحائف یا مراعات تقسیم نہیں کیے جائیں گے رجسٹرڈ آفس: کمرہ نمبر 32، پہلی منزل، احمد کپٹیکس، جناح روڈ، کوئٹہ، بلوچستان۔ پاکستان رابطہ/خط و کتابت کا دفتر: گیارہویں منزل، جی اینڈ ٹی ٹاور #18، بیومونٹ روڈ، سول لائنز-10، کراچی-75530 پاکستان

11 : سالانہ اجلاس عام میں قانونی ضابطہ اخلاق

شیر ہولڈرز سے درخواست ہے کہ سالانہ اجلاس عام میں شرکت کے دوران کارپوریٹ گورنس ریگولیشنز، 2024 کے ریگولیشن 55 کی ذیلی شق (2) میں بیان کردہ ضابطہ اخلاق کی پابندی کریں۔

CHAIRMAN'S REVIEW

Dear Shareholders,

It is my privilege to present Gatron (Industries) Limited's performance overview for the financial year ended June 30, 2026. Despite a challenging business environment, the Company demonstrated resilience and achieved notable improvement in its financial performance, with higher sales and gross profit and a significant reduction in loss compared with the previous year as further explained in this Report. The Company remains focused on operational efficiency, financial discipline and sustainable growth.

The Board of Directors, comprising ten members, two Executive Directors, five Non-Executive Directors, and three Independent Directors, including one female Director has continued to provide astute strategic direction and oversight. The diverse expertise and collective wisdom of the Board have been instrumental in steering the Company towards the achievement of its strategic objectives.

During the year, the Board convened Five (5) meetings, at which the Directors discharged their fiduciary responsibilities with diligence and prudence. I am pleased to report that, under their stewardship, the Company not only fulfilled its operational and financial objectives but also preserved its esteemed standing within the market and maintained full compliance with all applicable regulatory requirements. The collaborative engagement and strategic counsel of the Board have been pivotal in navigating the complexities of a demanding year.

The Board has been ably supported by its Audit Committee and Human Resource & Remuneration Committee, both of which continue to play a vital role in reinforcing sound governance. In particular, the Audit Committee's rigorous scrutiny of the Company's financial statements and internal control framework has been invaluable in safeguarding financial integrity and transparency. Having undertaken a comprehensive review of the Annual Report and Financial Statements, the Board affirms that these fairly and accurately represent the Company's financial position and operational performance.

Our progress during the year reflects the collective efforts of our valued customers, management team, employees, banking partners, government authorities and fellow members of the Board. I sincerely appreciate their continued support, commitment and guidance, which have contributed to the Company's improved performance during the year.

Looking ahead, I remain confident in Gatron's trajectory of sustained growth and continued success, and I thank all our stakeholders for their unwavering support and trust.

Sincerely,

Abdul Razak Diwan
Chairman

September 18, 2026

چیئر مین کی جائزہ رپورٹ

معزز شیئر ہولڈرز،

30 جون 2026 کو ختم ہونے والے مالی سال کے لیے گیٹرون (انڈسٹریز) لمیٹڈ کی کارکردگی کا جائزہ پیش کرنا میرے لیے باعثِ اعزاز ہے۔ کاروباری ماحول میں درپیش چیلنجز کے باوجود، کمپنی نے بھرپور استقامت کا مظاہرہ کرتے ہوئے اپنی مالیاتی کارکردگی میں نمایاں بہتری حاصل کی، جس میں گزشتہ سال کے مقابلے میں فروخت اور مجموعی منافع میں اضافہ اور خسارے میں نمایاں کمی شامل ہے۔ کمپنی آپریشنل کارکردگی، مالیاتی نظم و ضبط اور پائیدار ترقی پر اپنی توجہ برقرار رکھے ہوئے ہے۔

دس اراکین پر مشتمل بورڈ آف ڈائریکٹرز، جس میں دو ایگزیکٹو ڈائریکٹرز، پانچ نان ایگزیکٹو ڈائریکٹرز اور تین آزاد ڈائریکٹرز بشمول ایک خاتون ڈائریکٹر بھی شامل ہیں، جنہوں نے کمپنی کو موثر اسٹریٹجک سمت اور نگرانی فراہم کرنے کا سلسلہ جاری رکھا۔ بورڈ کی متنوع مہارت اور اجتماعی دانش نے کمپنی کو اس کے اسٹریٹجک مقاصد کے حصول کی جانب گامزن رکھنے میں اہم کردار ادا کیا۔

سال کے دوران، بورڈ کے پانچ اجلاس منعقد ہوئے، جن میں ڈائریکٹرز نے مستعدی اور دانش مندی کے ساتھ اپنی امانتی ذمہ داریاں انجام دیں۔ مجھے یہ بتاتے ہوئے خوشی ہے کہ ان کی زیر نگرانی کمپنی نے نہ صرف اپنے آپریشنل اور مالیاتی اہداف حاصل کیے بلکہ مارکیٹ میں اپنی ممتاز حیثیت بھی برقرار رکھی اور تمام قابلِ اطلاق ریگولیٹری تقاضوں کی مکمل تعمیل بھی یقینی بنائی۔ بورڈ کی باہمی مشاورت اور اسٹریٹجک رہنمائی نے مشکل حالات سے بھرپور سال کی پیچیدگیوں سے موثر طور پر حل کرنے میں کلیدی کردار ادا کیا۔

بورڈ کو اس کی آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کی موثر معاونت حاصل رہی ہے، اور دونوں کمیٹیاں مضبوط گورننس کے فروغ اور استحکام میں اہم کردار ادا کرنے کا سلسلہ جاری رکھے ہوئے ہیں۔ بالخصوص، کمپنی کے مالیاتی گوشواروں اور اندرونی کنٹرول کے فریم ورک کا آڈٹ کمیٹی کی جانب سے جامع اور کڑی جانچ پڑتال مالیاتی دیانت داری اور شفافیت کے تحفظ میں نہایت اہم ثابت ہوئی ہے۔ سالانہ رپورٹ اور مالیاتی گوشواروں کے جامع جائزے کے بعد، بورڈ اس امر کی تصدیق کرتا ہے کہ یہ کمپنی کی مالیاتی حیثیت اور آپریشنل کارکردگی کی منصفانہ اور درست عکاسی کرتے ہیں۔

سال کے دوران ہماری پیش رفت ہمارے معزز صارفین، انتظامیہ کی ٹیم، ملازمین، بیکار شراکت داروں، حکومتی اسٹیک ہولڈرز اور بورڈ کے معزز اراکین کی اجتماعی کاوشوں کی عکاس ہے۔ میں ان کی مسلسل معاونت، عزم اور رہنمائی کو قدر کی نگاہ سے دیکھتا ہوں، جنہوں نے سال کے دوران کمپنی کی بہتر کارکردگی میں اہم کردار ادا کیا۔

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

آپ کے مستقل تعاون اور لگن کے لیے مشکور ہیں۔

آپ کا مخلص

عبدالرزاق دیوان

چیئر مین

گیٹرون (انڈسٹریز) لمیٹڈ

بتاریخ: 18 ستمبر 2026ء

Directors' Report

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, we are pleased to present the Annual Report of Gatron (Industries) Limited ("Gatron" or "the Company") for the year ended June 30, 2026, together with the audited financial statements of the Company and the Auditors' Report thereon.

PERFORMANCE OVERVIEW

Alhamdulillah, FY2026 was a year of decisive improvement for the Company. Net revenue grew by 14.5% to Rs.30,147 million, gross profit almost doubled, EBITDA more than doubled and the Company returned to an operating profit of Rs.1,398 million against an operating loss of Rs.101 million in the previous year. The loss after levies and income tax narrowed from Rs.1,971 million previous year to Rs.325 million this year, with the second half of this year generating profit after levies and income tax. The key figures are summarised below:

(Rupees in million)	FY2026	FY2025	Change
Net revenue	30,147	26,328	+14.5%
Gross profit	1,708	886	+822
Gross margin	5.7%	3.4%	+2.3%
EBITDA	3,227	1,440	+1,787
Operating profit / (loss)	1,398	(101)	+1,499
Profit / (loss) before levies and income tax	51	(1,641)	+1,692
Levies and income tax	(376)	(330)	(46)
Loss after levies and income tax	(325)	(1,971)	+1,646

The improvement in operating performance was broad-based. Effective enforcement of Anti-Dumping Duties (ADD) on imported PFY from October/November 2025 began to restore fair competition in the domestic market, while higher sales volumes of different polyester resins, cost optimization, improved operational efficiency and tighter working capital management all contributed.

The Company also maintained disciplined cost management across the principal expense categories during the year.

- Distribution and selling expenses decreased by 28% to Rs.320 million (FY2025: Rs.446 million)
- Other expenses decreased by 22% to Rs.130 million (FY2025: Rs.167 million), while administrative expenses were contained at Rs.523 million (FY2025: Rs.486 million).
- Finance costs decreased by Rs.193 million to Rs.1,347 million (FY2025: Rs.1,539 million), reflecting lower average borrowings and improved working capital management following the reduction in short-term debt, together with the benefit of the general decline in the policy discount rate during the year.

EBITDA covered finance costs 2.4 times during the year, compared with 0.9 times in FY2025.

- Other income increased substantially to Rs.662 million (FY2025: Rs.112 million), primarily due to the one-time recognition of the Rs.344 million remeasurement gain arising from the SDMIC settlement.

On the balance sheet, compared to June 30, 2025, the position as at June 30, 2026 was as follows:

- Inventories decreased by Rs.563 million to Rs.6,751 million;
- trade debts decreased by Rs.1,037 million to Rs.3,626 million;
- trade and other creditors decreased by Rs.686 million to Rs.3,865 million; and
- short-term borrowings decreased by Rs.840 million to Rs.6,069 million.
- Debtor days improved from 57 to 50 and inventory days from 106 to 90.
- During the year the Company also repaid long-term loan instalments of Rs.1,430 million on schedule.

The Company's continued focus on inventory and receivables management, together with improved price realization following ADD enforcement, is expected to support further strengthening of working capital and liquidity in the current year.

Reported profitability continues to be affected by levies, including minimum tax, which are charged irrespective of the underlying operating result. Levies for the year amounted to Rs.376 million (FY2025: Rs.330 million).

The year was marked by geopolitical tension and volatility in oil and freight prices, including disruption around the Strait of Hormuz, and by a force majeure enforced by the sole domestic producer of PTA, the Company's principal raw material. The Company managed these disruptions through supplementary imports of PTA from alternative international sources and maintained uninterrupted PFY production throughout the year, strengthening its position in the domestic PFY market.

As reported in previous periods, in the domestic PFY industry has for several years faced injury from dumped imports of PFY from China. In June 2025, the National Tariff Commission (NTC) imposed definitive Anti-Dumping Duties (ADD) on PFY imported from specified Chinese exporters, at rates ranging from 5.35% to 20.78%. Enforcement and collection of these duties, whether through direct payment or, where applicable, through bank guarantees or pay orders pursuant to stay orders, was secured from the end of September 2025, and the Company's results improved markedly thereafter.

On June 11, 2026, the Anti-Dumping Appellate Tribunal remanded the National Tariff Commission's Final Determination dated June 16, 2025 to the Commission on issues raised in appeals filed by Chinese exporters. During the remand period, the anti-dumping duties were suspended from June 11, 2026 to August 22, 2026.

On August 22, 2026, the NTC issued its post-remand de novo Final Determination, confirming the continuation of anti-dumping duties until November 2029 at revised rates ranging from 3.07% to 19.32% (previously 5.35% to 20.78%). The Company is evaluating the revised determination, including its options for appeal, and remains actively engaged with the NTC and other relevant forums to ensure the measures continue to provide an effective remedy against dumped imports.

Internationally, ADD and/or countervailing measures on Chinese PFY exports remain in force in several major markets, including Turkey (approximately 16-20%), India (minimum 23%), the USA (76-77%), Vietnam (above 10% up to 21.2%), Brazil (4.35-44%) and Mexico (40%). Together with the non-tariff measures applied in other producing countries, these confirm that Pakistan's revised anti-dumping duty rates remain among the lowest in the world.

Energy costs were affected by the captive power levy on gas and the petroleum levy on HFO. The Company responded by re-optimising its energy mix during the year, shifting a substantial part of its load from gas-based captive generation to the national grid and solar, which moderated the impact of the levies. To further reduce long-term power costs, the Company is investing in renewable energy and grid-stabilising solutions. The shift to national grid is limited to daily spikes/jerks.

A 2.4 MW solar power plant with a 7.5 MW Battery Energy Storage System (BESS) is under erection and is expected to be commissioned in Q2 FY2027. The Company has also entered into an MOU for a 7.5 MW wind power facility with an estimated investment of Rs.1.5 billion, expected to be commissioned in Q1 FY2028.

SCHEME OF ARRANGEMENT

The Board resolved to authorize the Company to enter into a Scheme of Arrangement with Nova Frontiers Limited (NFL) and Ghani & Tayub (Private) Limited (G&T).

Under the proposed Scheme:

- (i) NFL will cancel the shares held by certain categories of its shareholders ("Outgoing Shareholders"), resulting in the cancellation of the 29.33% shareholding of Gatron currently held by NFL, with new replacement Gatron shares to be issued to the Outgoing Shareholders/beneficial owners on a swap ratio to be determined by an independent professional valuer; and
- (ii) Gatron will cancel 2.98% of its shareholding (3,240,774 shares) currently held by G&T and issue new shares directly to the shareholders of G&T.

In accordance with the directions of the Hon'ble High Court, the shareholders of the companies involved have approved the proposed restructuring. The matter remains pending before the Hon'ble High Court of Balochistan at Quetta for further proceedings and sanction of the Scheme.

The Board notes that, based on the terms of the proposed Scheme, the restructuring is not expected to affect the Company's underlying business operations or operating assets.

OTHER MATTERS

- Gatro Power (Private) Limited and G-Pac Energy (Private) Limited, wholly owned subsidiaries of the Company, continued their normal operations during the year, generating and selling electric power.

Global Synthetics Limited, another wholly owned subsidiary, has not yet commenced operations.

APPROPRIATION

The Board of Directors has not recommended any dividend for the year ended June 30, 2026.

EARNINGS / (LOSS) PER SHARE

The loss per share of the Company for the year ended June 30, 2026 was Rs.2.99 (FY2025: Rs.18.13).

MATERIAL CHANGES AND COMMITMENTS

Except for the matters disclosed elsewhere in this report, including the renewable energy capital commitments referred to above, there have been no material changes or commitments affecting the Company's financial position between June 30, 2026 and the date of this report.

CHAIRMAN'S REVIEW

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

EXTERNAL AUDITORS

The retiring auditors, M/s. Kreston Hyder Bhimji & Co., Chartered Accountants, being eligible, have offered themselves for reappointment. The Audit Committee has recommended their reappointment as the Company's auditors for the financial year 2026-27, subject to approval by the members at the forthcoming Annual General Meeting.

The auditors of the Company, M/s. Kreston Hyder Bhimji & Co., Chartered Accountants, have expressed an unqualified opinion on the financial statements.

PATTERN OF SHAREHOLDING

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

CONSOLIDATED FINANCIAL STATEMENTS

This Annual Report includes the consolidated financial statements of the Group, together with the related notes and the auditors' report thereon, providing information on the Group's financial position, financial performance, cash flows and changes in equity.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board confirms that the Company has complied with the applicable requirements of the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan (SECP) and the Listed Companies (Code of Corporate Governance) Regulations, 2019, as amended, except to the extent disclosed in the Statement of Compliance, where applicable.

The financial statements for the year ended June 30, 2026, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements, and any departure therefrom has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- Significant deviations from the previous year in the operating results of the Company have been disclosed in this report, where applicable.
- The Board has no reason to believe that the Company will not continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as per regulations.
- Key operating and financial data for the last six years, in summarized form, is annexed.
- The fair value of the provident fund investments as at June 30, 2026 was

Rs.158 million.

- During the year, six meetings of the Board of Directors, four meetings of the Audit Committee and one meeting of the HR & Remuneration Committee were held.
- The names of the persons, who at any time during the financial year ended June 30, 2026, were Members of the Board and its Committees along with their attendance as follows:

Name of Director	Board of Directors Meetings	Audit Committee Meetings	HR & Remuneration Committee
Mr. Abdul Razak Diwan	4	-	-
Mr. Shabbir Diwan	5	-	-
Mr. Zakaria Bilwani	4	-	-
Mr. Muhammad Iqbal Bilwani	5	4	2
Mr. Saqib Haroon Bilwani	4	-	-
Mr. Muhammad Taufiq Bilwani	4	-	-
Mr. Muhammad Altaf Bilwani	5	-	-
Mr. Talat Iqbal	5	4	2
Mr. Muhammad Tufail Iqbal	5	4	2
Ms. Huma Rafique	4	-	-

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

BOARD OF DIRECTORS

The total number of Directors is ten (10), comprising:

- a. Male: Nine (09)
- b. Female: One (01)

The composition of the Board is as follows:

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

DIRECTORS' TRAINING

All ten Directors have either completed the Directors' Training Program or are exempt from the requirement in accordance with the applicable requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, as amended.

DIRECTORS' REMUNERATION POLICY

The remuneration policy for non-executive directors, including independent directors, is determined and approved by the Board in accordance with the applicable provisions of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, as amended. The policy provides for appropriate remuneration for Board and committee responsibilities and is designed to reflect the responsibilities, time commitment and prevailing market practices, without compromising the independence of non-executive or independent directors.

BOARD PERFORMANCE REVIEW

The Board has established a formal process for evaluating its own performance and the effectiveness of its committees. During the year, the Board continued to provide strategic oversight and guidance on the Company's operations, financial performance, risk management and governance matters. The evaluation process is intended to support continuous improvement in the effectiveness of the Board and its committees.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to maintaining transparent and timely communication with its shareholders. Information relating to the Company's activities, financial performance and material developments is made available through the Company's website at www.gatron.com and through such other channels as may be required under applicable law and the rules and regulations of the Pakistan Stock Exchange and the SECP.

SUSTAINABILITY-RELATED RISKS

Gatron (Industries) Limited recognizes that sustainability-related matters may affect the Company's long-term resilience, operations and value creation. Management continues to develop appropriate ESG objectives and initiatives aligned with the Company's business strategy, with particular focus on Conservation, Community and Circular Economy. The Company's Sustainability Report for 2025-26, included in this Annual Report, sets out the progress made on these initiatives during the year.

DIVERSITY, EQUITY, AND INCLUSION (DE&I)

The Company recognizes the importance of diversity, equity and inclusion (DE&I)

in fostering a fair, respectful and productive workplace. The Group supports appropriate DE&I initiatives and seeks to promote equal opportunity and inclusive employment practices.

The Company has implemented a DE&I policy to guide its approach to diversity and inclusion. Its initiatives include inclusive recruitment practices and appropriate representation in recruitment and selection processes, with the objective of promoting equal opportunity.

RISK MANAGEMENT

The Company is exposed to a range of financial and operational risks, including market risk (interest rate, currency and price risk), credit risk and liquidity risk, as well as risks arising from its operating environment. The Company has established risk management processes designed to identify, assess, monitor and mitigate material risks and to reduce their potential adverse impact on financial performance and operations.

ACKNOWLEDGMENT

The Board of Directors expresses its sincere appreciation to all stakeholders for their continued trust and confidence in the Company and for their cooperation and support throughout the year.

The Board also acknowledges the dedication, commitment and contribution of the Company's employees, whose efforts remain integral to the Company's continued progress.

The Board further acknowledges the support and cooperation received from government institutions, the auditors, SECP, PSX and the Company's banking partners.

We look forward to the continued support and cooperation of all stakeholders.

SHABBIR DIWAN
CHIEF EXECUTIVE OFFICER

MUHAMMAD IQBAL BILWANI
DIRECTOR

September 18, 2026

ڈائریکٹر رپورٹ

محترم شیئر ہولڈرز،

بورڈ آف ڈائریکٹر کی جانب سے، ہمیں گیٹرون (انڈسٹریز) لمیٹڈ ("گیٹرون" یا "کمپنی") کی سالانہ رپورٹ پیش کرنے پر خوشی ہو رہی ہے۔ 30 جون 2026 کو ختم ہونے والے سال کے لیے ہے، جس کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی بیانات اور اس پر آڈیٹر کی رپورٹ بھی شامل ہے۔

کارکردگی کا جائزہ

الحمد للہ مالی سال 2026 کمپنی کے لیے فیصلہ کن بہتری کا سال تھا۔ خالص آمدنی 14.5% بڑھ کر 30,147 ملین روپے تک پہنچ گئی، مجموعی منافع تقریباً دوگنا ہوا، EBITDA دوگنا سے بھی زیادہ ہو گیا اور کمپنی نے 1,398 ملین روپے کا آپریٹنگ منافع حاصل کیا جبکہ پچھلے سال 101 ملین روپے کا آپریٹنگ نقصان تھا۔ لیویز اور انکم ٹیکس کے بعد نقصان پچھلے سال 1,971 ملین روپے سے کم ہو کر اس سال 325 ملین روپے رہ گیا، جبکہ اس سال کے دوسرے نصف میں لیویز اور انکم ٹیکس کے بعد منافع ہوا۔ اہم اعداد و شمار ذیل میں خلاصہ کیے گئے ہیں:

تبدیلی	مالی سال 2025	مالی سال 2026	(روپے ملین میں)
14.5%+	26,328	30,147	خالص آمدنی
822+	886	1,708	مجموعی منافع
2.3%+	3.4%	5.7%	مجموعی مارجن
1,787+	1,440	3,227	EBITDA
1,499+	(101)	1,398	آپریٹنگ منافع (نقصان)
1,692+	(1,641)	51	لیویز اور انکم ٹیکس سے پہلے منافع (نقصان)
(46)	(330)	(376)	محصولات اور انکم ٹیکس
1,646+	(1,971)	(325)	لیویز اور انکم ٹیکس کے بعد نقصان

آپریٹنگ کارکردگی میں بہتری کی سبب سے پہلے پتی۔ اکتوبر نومبر 2025 سے درآمد شدہ PFY پر اینٹی ڈپٹنگ ڈیوٹی (ADD) کے مؤثر نفاذ نے ملکی مارکیٹ میں منصفانہ مقابلہ بحال کرنا شروع کیا جبکہ مختلف پالیسیوں پر ریٹرنز کی زیادہ فروخت کی حجم، لاگت کی بہتری، بہتر آپریشنل کارکردگی اور سخت ورکنگ کیسٹبل مینجمنٹ نے اس میں کردار ادا کیا۔

کمپنی نے سال کے دوران بنیادی اخراجات کی کیٹگریز میں منظم لاگت مینجمنٹ بھی برقرار رکھی۔

1. تقسیم اور فروخت کے اخراجات 28% کم ہو کر 320 ملین روپے ہو گئے (مالی سال 2025: 446 ملین روپے)
2. دیگر اخراجات 22% کم ہو کر 130 ملین روپے (مالی سال 2025: 167 ملین روپے) رہ گئے، جبکہ انتظامی اخراجات 523 ملین روپے (مالی سال 2025: 486 ملین روپے) تک محدود رہے۔
3. مالیاتی اخراجات 193 ملین روپے کم ہو کر 1,347 ملین روپے (مالی سال 2025: 1,539 ملین روپے) ہو گئے، جو قلیل مدتی قرض میں کمی کے بعد اوسط قرضوں میں کمی اور بہتر ورکنگ کیسٹبل مینجمنٹ کی عکاسی کرتا ہے، ساتھ ہی سال کے دوران پالیسی ڈسکاؤنٹ ریٹ میں عمومی کمی کا فائدہ بھی ہے۔ EBITDA نے سال کے دوران مالیاتی اخراجات کو 2.4 گنا کم کر دیا، جبکہ مالی سال 2025 میں یہ 0.9 گنا تھا۔
4. دیگر آمدنی میں نمایاں اضافہ ہو کر 662 ملین روپے (مالی سال 2025: 112 ملین روپے) ہو گئی، جس کی بنیادی وجہ SDMIC تصفیے سے حاصل ہونے والے 344 ملین روپے کی دوبارہ پیش کش کی ایک باری منظوری ہے۔

بیلنس شیٹ پر، 30 جون 2025 کے مقابلے میں، 30 جون 2026 تک صورتحال درج ذیل تھی:

1. انویٹریز 563 ملین روپے کم ہو کر 6,751 ملین روپے ہو گئے؛
2. تجارتی قرضے 1,037 ملین روپے کم ہو کر 3,626 ملین روپے ہو گئے؛
3. تجارت اور دیگر قرض دہندگان 686 ملین روپے کم ہو کر 3,865 ملین روپے ہو گئے؛ اور
4. قلیل مدتی قرضے 840 ملین روپے کم ہو کر 6,069 ملین روپے ہو گئے۔
5. قرض دار کے دن 57 سے 50 ہو گئے اور انویٹری دن 106 سے کم ہو کر 90 ہو گئے۔
6. سال کے دوران کمپنی نے 1,430 ملین روپے کے طویل مدتی قرضے بھی شیڈول پر ادا کیے۔

کمپنی کی انویٹری اور وصولی کے انتظام پر مسلسل توجہ، اور ADD کے نفاذ کے بعد ترقیوں میں بہتری کے ساتھ، اس سال ورکنگ کیسٹبل اور لیکویڈیٹی کی مزید مضبوطی کی حمایت کرنے کی توقع ہے۔

رپورٹ شدہ منافع پر لیویز، بشمول کم از کم ٹیکس، کا اثر جاری رہتا ہے، جو بنیادی آپریٹنگ نتیجے سے قطع نظر چارج کیے جاتے ہیں۔ سال کے لیے لیویز 376 ملین روپے (مالی سال 2025: 330 ملین روپے) تھے۔

یہ سال جغرافیائی سیاسی کشیدگی اور تیل و مال برداری کی قیمتوں میں اتار چڑھاؤ سے بھرپور رہا، جس میں آبنائے ہرمز کے گرد خلل اور واحد ملکی پروڈیوسر پی ٹی اے جو کمپنی کا بنیادی خام مال ہے کی جانب سے نافذ کردہ طاقت شامل تھی۔ کمپنی نے ان رکاوٹوں کو متبادل بین الاقوامی ذرائع سے پی ٹی اے کی اضافی درآمدات کے ذریعے مستحیلا اور پورے سال بغیر تعطل پی ایف وائی پیداوار کو برقرار رکھا، جس سے اس کی ملکی پی ایف وائی مارکیٹ میں پوزیشن مضبوط ہوئی۔

گزشتہ ادوار میں رپورٹ ہونے کے مطابق، ملکی PFY صنعت کو کئی سالوں سے چین سے PFY کی ڈمپڈرآمدات سے نقصان پہنچا رہا ہے۔ جون 2025 میں، نیشنل ٹریڈ کمیشن (NTC) نے مخصوص چینی برآمد کنندگان سے درآمد شدہ PFY پر حتمی اینٹی ڈپنگ ڈیوٹی (ADD) عائد کی، جن کی شرح 5.35% سے 20.78% تک تھی۔ ان ڈیوٹیز کا نفاذ اور وصولی، چاہے براہ راست ادائیگی کے ذریعے ہو یا جہاں قابل اطلاق ہو، بینک گارنٹی یا سٹے آرڈرز کے تحت پے آرڈرز کے ذریعے، ستمبر 2025 کے آخر سے یقینی بنایا گیا، اور کمپنی کے نتائج میں نمایاں بہتری آئی۔

11 جون 2026 کو، اینٹی ڈپنگ ایپیلیٹ ٹریبیونل نے نیشنل ٹریڈ کمیشن کے حتمی فیصلے 16 جون 2025 کو کمیشن کو چینی برآمد کنندگان کی ایپیلوں میں اٹھائے گئے مسائل پر واپس بھیج دیا۔ ریمانڈ مدت کے دوران، اینٹی ڈپنگ ڈیوٹی 11 جون 2026 سے 22 اگست 2026 تک معطل کر دی گئیں۔

22 اگست 2026 کو، NTC نے پوسٹ-ریمانڈ ڈی نوو فائنل ڈیٹرمنیشن جاری کی، جس میں نومبر 2029 تک اینٹی ڈپنگ ڈیوٹیز کے تسلسل کی تصدیق کی گئی، جس کی شرح 3.07% سے 19.32% تک ہے (پہلے 5.35% سے 20.78%)۔ کمپنی نظر ثانی شدہ فیصلے کا جائزہ لے رہی ہے، جس میں اپیل کے اختیارات بھی شامل ہیں، اور NTC اور دیگر متعلقہ فورمز کے ساتھ فعال طور پر منسلک ہے تاکہ یہ اقدامات ڈمپڈرآمدات کے خلاف موثر علاج فراہم کرتے رہیں۔

اور/یا اس کے خلاف اقدامات کئی بڑے بازاروں میں نافذ العمل ہیں، جن میں ترکی (تقریباً 16-20%)، بھارت (کم از کم 23%)، امریکہ (76-77%)، ویتنام (ADD برآمدات پر PFY بین الاقوامی سطح پر، چینی 10% سے زیادہ 21.2% تک) شامل ہیں۔

برازیل (4.35-4.44%) اور میکسیکو (40%)۔ دیگر پیداواری ممالک میں الاگو غیر ٹریڈ اقدامات کے ساتھ مل کر، یہ اس بات کی تصدیق کرتے ہیں کہ پاکستان کی نظر ثانی شدہ اینٹی ڈپنگ ڈیوٹی کی شرحیں اب بھی دنیا میں سب سے کم ہیں۔

توانائی کی لاگت گیس پر کمپیٹو پاور لیوی او HFO پر بیٹرولیم لیوی سے متاثر ہوئی۔ کمپنی نے سال کے دوران اپنی توانائی کے کس کو دوبارہ بہتر بنایا، جس سے اس کا بڑا حصہ گیس پر مبنی کمپیٹو جزییشن سے نیشنل گرڈ اور سولر پر منتقل ہو گیا، جس سے لیویز کے اثرات کم ہوئے۔ طویل مدتی بجلی کی لاگت کو مزید کم کرنے کے لیے، کمپنی قابل تجدید توانائی اور گرڈ کو مستحکم کرنے والے حل میں سرمایہ کاری کر رہی ہے۔ روزانہ کے اسپاگس (جھلکوں) (spikes/jerks) کی وجہ سے نیشنل گرڈ کی طرف منتقلی محدود ہے۔

ایک 2.4 میگاواٹ سولر پاور پلانٹ جس میں 7.5 میگاواٹ بیٹری انرجی اسٹوریج سسٹم (BESS) ہے، تعمیر کے مراحل میں ہے اور توقع ہے کہ اسے دوسری سہ ماہی مالی سال 2027 میں کمیشن کیا جائے گا۔ کمپنی نے 7.5 میگاواٹ ونڈ پاور سہولت کے لیے ایک مفابہتی یادداشت بھی کی ہے جس کی سرمایہ کاری 1.5 ارب روپے ہے، جو بجلی مالی سال 2028 میں کمیشن ہونے کی توقع ہے۔

ترتیب کا منصوبہ

بورڈ نے کمپنی کو نوافر ٹریڈر لمیٹڈ (NFL) اور غنی اینڈ ٹیپ (پرائیویٹ) لمیٹڈ (G&T) کے ساتھ اسکیم آف اربنمنٹ میں داخل ہونے کی اجازت دینے کا فیصلہ کیا۔ تجویز کردہ اسکیم کے تحت:

1. این ایف ایل اپنے مخصوص ٹریڈرز کی اقسام ("آؤٹ گونگ ٹریڈرز") کے حصص منسوخ کر دے گا، جس کے نتیجے میں گیٹرون کی موجودہ NFL کے پاس موجود 29.33% شیئرز ہولڈنگ منسوخ ہو جائے گی، اور نئے متبادل گیٹرون شیئرز کو سکدوش ہونے والے شیئرز ہولڈرز/سینیٹشل مالکان کو ایک آزاد پیشہ ور ویلیو کے ذریعے سویپ ریشو پر جاری کیے جائیں گے؛ اور
2. گیٹرون اپنے موجودہ حصص (3,240,774 حصص) کا 2.98% منسوخ کر دے گا اور جی اینڈ ٹی کے شیئرز ہولڈرز کو براہ راست نئے حصص جاری کرے گا۔

معزز زبانی کورٹ کی ہدایات کے مطابق، متعلقہ کمپنیوں کے شیئرز ہولڈرز نے مجوزہ تنظیم کو منظور کر دے دی ہے۔ یہ معاملہ بلوچستان کی معزز زبانی کورٹ، کوئٹہ میں مزید کارروائی اور اسکیم کی منظوری کے لیے زیر التوا ہے۔

بورڈ نوٹ کرتا ہے کہ مجوزہ اسکیم کی شرائط کی بنیاد پر، تنظیم نو کمپنی کے بنیادی کاروباری آپریشنز یا آپریٹنگ اثاثوں پر اثر انداز ہونے کی توقع نہیں رکھتی۔

دیگر امور

1. گیٹرو پاور (پرائیویٹ) لمیٹڈ اور جی-پیک انرجی (پرائیویٹ) لمیٹڈ، جو کمپنی کی مکمل ملکیت والی ذیلی کمپنیاں ہیں، سال بھر اپنی معمول کی سرگرمیاں جاری رکھتی رہیں، بجلی پیدا اور فروخت کرتی رہیں۔ گلوبل سسٹیمز ایک اور مکمل ملکیت ذیلی کمپنی، نے ابھی تک اپنی سرگرمیاں شروع نہیں کیں۔

خاصیت:

بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کسی بھی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

آمدنی (نقصان) فی حصص

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کافی شیئر نقصان 2.99 روپے (مالی سال 2025: Rs. 18.13) تھا۔

مادی تبدیلیاں اور وابستگیاں

اس رپورٹ میں کہیں اور ظاہر کیے گئے معاملات کے علاوہ، جن میں اوپر ذکر کردہ قابل تجدید توانائی کے سرمایہ کاری کے وعدے بھی شامل ہیں 30 جون 2026 سے اس رپورٹ کی تاریخ تک کمپنی کی مالی پوزیشن پر کوئی اہم تبدیلی یا وعدہ نہیں ہوا۔

چیز مین کا جائزہ

کمپنی کی مجموعی کارکردگی کا چیز مین کا جائزہ اس رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹرز

ریٹائر ہونے والے آڈیٹر، M/s. Kreston Hyder Bhimji & Co.، چارٹرڈ اکاؤنٹنٹس، جو اب بھی ہیں، دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ آڈٹ کمیٹی نے انہیں مالی سال 2026-27 کے لیے کمپنی کے آڈیٹر کے طور پر دوبارہ تقرری کی سفارش کی ہے، جس کے تحت اراکین آئندہ سالانہ جنرل میٹنگ میں منظوری حاصل کریں گے۔ کمپنی کے آڈیٹر، M/s. Kreston Hyder Bhimji & Co.، چارٹرڈ اکاؤنٹنٹس، نے مالیاتی بیانات پر غیر مشروط رائے دی ہے۔

شیئر ہولڈنگ کا نمونہ

کمپنی کی شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

مربوط مالیاتی بیانات

اس سالانہ رپورٹ میں گروپ کے مربوط مالیاتی بیانات، متعلقہ نوٹس اور آڈیٹر کی رپورٹ شامل ہے، جو گروپ کی مالی حالت، مالی کارکردگی، نقد بہاؤ اور ریکویٹی میں تبدیلیوں کی معلومات فراہم کرتی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

بورڈ اس بات کی تصدیق کرتا ہے کہ کمپنی نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی مانگو شدہ شرائط پر عمل کیا ہے، سوائے اس حد تک جو اسٹینڈٹ آف کپلائنس میں ظاہر کی گئی ہو، جہاں قابل اطلاق ہو۔ 30 جون 2026 کو ختم ہونے والے سال کے مالی بیانات، جو کمپنی کی انتظامیہ نے تیار کیے ہیں، اس کی صورت حال، آپریشنز کے نتائج، نقد بہاؤ اور ریکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

1. کمپنی نے مناسب اکاؤنٹس کی کتابیں برقرار رکھی ہیں۔
2. مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں متعلق طور پر نافذ کی گئی ہیں، اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلوں پر مبنی ہوتے ہیں۔
3. پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ معیارات کی بیرونی مالی بیانات کی تیاری میں کی گئی ہے، اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر اور وضاحت کی گئی ہے۔
4. اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور مؤثر طریقے سے نافذ اور نگرانی کیا گیا ہے۔
5. کمپنی کے آپریٹنگ نتائج میں پچھلے سال کے مقابلے میں نمایاں انحرافات اس رپورٹ میں ظاہر کیے گئے ہیں، جہاں قابل اطلاق ہو۔
6. بورڈ کے پاس یقین کرنے کی کوئی وجہ نہیں کہ کمپنی بطور جاری ادارہ جاری نہیں رہے گی۔
7. ضوابط کے مطابق، کارپوریٹ گورننس کے بہترین طریقوں سے کوئی نمایاں انحراف نہیں ہوا۔
8. گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار، خلاصہ شکل میں، منسلک کیے گئے ہیں۔
9. 30 جون 2026 تک پروویڈنٹ فنڈ کی سرمایہ کاری کی منصفانہ قیمت 158 ملین روپے تھی۔
10. سال کے دوران، بورڈ آف ڈائریکٹرز کے چار اجلاس، آڈٹ کمیٹی کے چار اجلاس اور ایچ آر و معاوضہ کمیٹی کی ایک میٹنگ منعقد ہوئی۔

ان افراد کے نام جو مالی سال کے دوران 30 جون 2026 کو ختم ہوئے، بورڈ اور اس کی کمیٹیوں کے رکن تھے اور ان کی حاضری درج ذیل ہے:

11.

ایچ آر & معروضہ کمیٹی ملاقاتیں	آڈٹ کمیٹی ملاقاتیں	بورڈ آف ڈائریکٹرز ملاقاتیں	ڈائریکٹر کا نام
-	-	4	جناب عبدالرزاق دیوان
-	-	5	جناب شبیر دیوان
-	-	4	مسٹر زکریا بلوانی
2	4	5	جناب محمد اقبال بلوانی
-	-	4	مسٹر ساقب ہارون بلوانی
-	-	4	جناب محمد توفیق بلوانی
-	-	5	جناب محمد الطاف بلوانی
2	4	5	جناب طلعت اقبال
2	4	5	جناب محمد طفیل اقبال
-	-	4	محترمہ ہارون بلوانی

(بورڈ مینٹلز میں شرکت نہ کرنے پر ڈائریکٹرز کو چھٹیاں دی گئیں)

بورڈ آف ڈائریکٹرز

ڈائریکٹرز کی کل تعداد دس (10) ہے، جن میں شامل ہیں:

a. مرد: نو (09)

b. خاتون: ایک (01)

بورڈ کی تشکیل درج ذیل ہے:

نام	زمرہ
جناب طلعت اقبال جناب محمد طفیل اقبال	آزاد ڈائریکٹرز
جناب عبدالرزاق دیوان مسٹر زکریا بلوانی جناب محمد اقبال بلوانی مسٹر ساقب ہارون بلوانی جناب محمد الطاف بلوانی	غیر ایگزیکٹو ڈائریکٹرز
جناب شبیر دیوان جناب محمد توفیق بلوانی	ایگزیکٹو ڈائریکٹرز
محترمہ ہارون بلوانی	خاتون آزاد ڈائریکٹر

ڈائریکٹرز کی تربیت

تمام دس ڈائریکٹرز نے یا تو ڈائریکٹر ٹریڈنگ پروگرام مکمل کر لیا ہے یا اس شرط سے متفق ہیں، جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، جیسا کہ ترمیم شدہ ہے، کے مطابق ہے۔

ڈائریکٹرز کی معاوضے کی پالیسی

غیر ایگزیکٹو ڈائریکٹر، بشمول آزاد ڈائریکٹر، کے لیے معاوضے کی پالیسی بورڈ کی جانب سے کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی متعلقہ دفعات کے مطابق مقرر اور منظور کی جاتی ہے، جیسا کہ ترمیم شدہ ہے۔ یہ پالیسی بورڈ اور کمیٹی کی ذمہ داریوں کے لیے مناسب معاوضہ فراہم کرتی ہے اور ذمہ داریوں، وقت کی پابندی اور موجودہ مارکیٹ کے طریقوں کی عکاسی کے لیے ڈیزائن کی گئی ہے، بغیر غیر ایگزیکٹو یا آزاد ڈائریکٹر کی آزادی کو متاثر نہ کیے۔

بورڈ کی کارکردگی کا جائزہ

بورڈ نے اپنی کارکردگی اور اپنی کمیٹیوں کی موثریت کا جائزہ لینے کے لیے ایک باقاعدہ عمل قائم کیا ہے۔ سال کے دوران، بورڈ نے کمپنی کے آپریشنز، مالی کارکردگی، رسک مینجمنٹ اور گورننس کے معاملات پر اسٹریٹجک نگرانی اور رہنمائی فراہم کرنا جاری رکھا۔ یہ جائزہ عمل بورڈ اور اس کی کمیٹیوں کی موثریت میں مسلسل بہتری کی حمایت کے لیے بنایا گیا ہے۔

شیئر ہولڈرز کے ساتھ رابطہ

کمپنی اپنے شیئر ہولڈرز کے ساتھ شفاف اور بروقت رابطے کو برقرار رکھنے کے لیے پرعزم ہے۔ کمپنی کی سرگرمیوں، مالی کارکردگی اور اہم پیش رفت سے متعلق معلومات کمپنی کی ویب سائٹ www.gatron.com پر دستیاب کی جاتی ہیں اور دیگر ذرائع سے جو قابل اطلاق قانون اور پاکستان اسٹاک ایکسچینج اور SECP کے قواعد و ضوابط کے تحت درکار ہوں، فراہم کی جاتی ہیں۔

پائیداری سے متعلق خطرات

گیٹرون (انڈسٹریز) لمیٹڈ تسلیم کرتا ہے کہ پائیداری سے متعلق معاملات کمپنی کی طویل مدتی مضبوطی، آپریشنز اور قدر کی تخلیق کو متاثر کر سکتے ہیں۔ انتظامیہ کمپنی کی کاروباری حکمت عملی کے مطابق مناسب ESG مقاصد اور اقدامات تیار کرتی رہتی ہے، خاص طور پر تحفظ، کمیونٹی اور سرکھراکانومی پر توجہ کے ساتھ۔ کمپنی کی پائیداری رپورٹ 2025-26 کے لیے جو اس سالانہ رپورٹ میں شامل ہے، سال کے دوران ان اقدامات پر ہونے والی پیش رفت کو بیان کرتی ہے۔

تنوع، مساوات، اور شمولیت (DE&I)

کمپنی تنوع، مساوات اور شمولیت (DE&I) کی اہمیت کو تسلیم کرتی ہے تاکہ ایک منصفانہ، باعزت اور پیداواری کام کی جگہ کو فروغ دیا جاسکے۔ گروپ مناسب DE&I اقدامات کی حمایت کرتا ہے اور مساوی مواقع اور جامع روزگار کے طریقوں کو فروغ دینے کی کوشش کرتا ہے۔

کمپنی نے تنوع اور شمولیت کے اپنے نقطہ نظر کی رہنمائی کے لیے DE&I پالیسی نافذ کی ہے۔ اس کے اقدامات میں شمولیتی بھرتی کے طریقے اور بھرتی و انتخاب کے عمل میں مناسب نمائندگی شامل ہے، جس کا مقصد مساوی مواقع کو فروغ دینا ہے۔

رسک مینجمنٹ

کمپنی مختلف مالیاتی اور آپریشنل خطرات سے دوچار ہے، جن میں مارکیٹ رسک (شرح سود، کرنسی اور قیمت کا خطرہ)، کریڈٹ رسک اور لیکویڈیٹی رسک، نیز اس کے آپریشننگ ماحول سے پیدا ہونے والے خطرات شامل ہیں۔ کمپنی نے رسک مینجمنٹ کے عمل قائم کیے ہیں جو مادی خطرات کی شناخت، اندازہ لگانا، نگرانی اور کمی کرنا اور ان کے مالی کارکردگی اور آپریشنز پر ممکنہ منفی اثرات کو کم کرنے کے لیے ڈیزائن کیے گئے ہیں۔

اعتراف

بورڈ آف ڈائریکٹر تمام اسٹیک ہولڈرز کا کمپنی پر مسلسل اعتماد اور سال بھر تعاون اور تعاون کے لیے مخلصانہ شکریہ ادا کرتا ہے۔

بورڈ کمپنی کے ملازمین کی لگن، عزم اور شراکت کو بھی تسلیم کرتا ہے، جن کی کوششیں کمپنی کی مسلسل ترقی کے لیے لازمی ہیں۔

بورڈ ممبران کیلئے ایس و ایس، PSX، SECP اور کمپنی کے بینکنگ شراکت داروں کی حمایت اور تعاون کو تسلیم کرتا ہے۔

ہم تمام اسٹیک ہولڈرز کی مسلسل حمایت اور تعاون کے منتظر ہیں۔

شمیر دیوان
چیف ایگزیکٹو آفیسر

محمد اقبال بلوچی
ڈائریکٹر

SUSTAINABILITY REPORT

(2025-26)

Powering progress, responsibly



Introduction

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

This year's Sustainability Report (2025-26) reflects our progress and renewed commitment across critical areas such as renewable energy adoption, water stewardship, responsible production practices, circular economy solutions, and employee well-being. Our focus is not only on meeting today's needs but also on safeguarding resources for future generations.

2025-26 has been a landmark year on this journey. We **tripled our solar capacity to 8.3 MW**, more than doubling the clean energy we generate and the CO₂ emissions we avoid. Our energy efficiency programme delivered **sixteen times** the savings of the previous year, our Sina Clinic in Baldia **ramped up** the patient services it provides, and we reduced Lost Time Injuries by **half for the second consecutive year**.

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

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

Our Sustainability Journey

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

Building on this foundation, we have moved from ambition to delivery. The targets we set for 2025-26 have translated into a step-change in renewable energy, with solar generation rising from 2.3 million kWh in 2023-24 to 8.17 million kWh this year. Our priorities going forward include expanding renewable energy with battery storage and wind power, strengthening water stewardship, advancing responsible production, integrating circular economy solutions across our operations, and using AI to enable our growth.

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

Key Highlights 2025-26

Environmental Impact

CO₂ EMISSIONS 3,353 tons CO ₂ emissions avoided through solar ▲ 134% vs 2024-25 	NATURAL GAS 2,372,163 m ³ Natural gas saved ▲ 124% vs 2024-25 	SOLAR SYSTEM 8.17 million kWh Renewable energy generated ▲ 133% vs 2024-25 
SOLAR CAPACITY 8.3 MW Installed solar capacity ~3x the 2.8 MW of 2024-25	ENERGY EFFICIENCY 2.50 million kWh Direct energy savings from equipment upgrades 16x vs 2024-25	RECYCLED WATER 9.07 million gallons Water consumption from recycled water 
PET BOTTLES 57.09 million PET bottles recycled into Ecoron yarn 306.7 million since 2023-24 	PLANTATION DRIVE 284 Trees planted 584 trees over two years 	WATER NOZZLES 179 High-efficiency water nozzles installed ▲ 8% vs 2024-25

Employee & Community Wellbeing

MEALS 735,435 Subsidized meals provided 	TRANSPORTATION 705,180 Free rides provided for our staff 	SINA CLINIC 80,000 Health services provided in Baldia, Karachi ▲ 114% vs 2024-25 
EYE CARE 21,185 OPD consultations and eye surgeries ▲ 9% more surgeries 	SAFETY 0 Fatalities Lost Time Injuries down to 2 LTIs ▼ 50% vs 2024-25	SAFETY TRAINING 500+ Health & safety sessions conducted ▲ 38% vs 2024-25

UNSDG 7: AFFORDABLE & CLEAN ENERGY

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



Our energy mix includes:

- **Solar Power:** Gatron now operates **8.3 MW** of solar power capacity, up from 2.8 MW last year, resulting in annual savings of **3,353 tons of CO₂ emissions** and **2,372,163 cubic meters of natural gas**. This investment significantly contributes to our renewable energy portfolio and demonstrates our commitment to reducing our environmental footprint.
- **Gas, Heavy Fuel Oil (HFO), and Gas and Steam Turbines:** A balanced and diversified portfolio that supports our sustainability goals while maintaining a reliable energy supply.
- **Electricity from K-Electric (KE):** In addition to self-generation, electricity is purchased from the national grid to support operations during natural gas shortages and also due to rising gas prices. However, this supply remains inconsistent and unreliable.

Expansion Plans

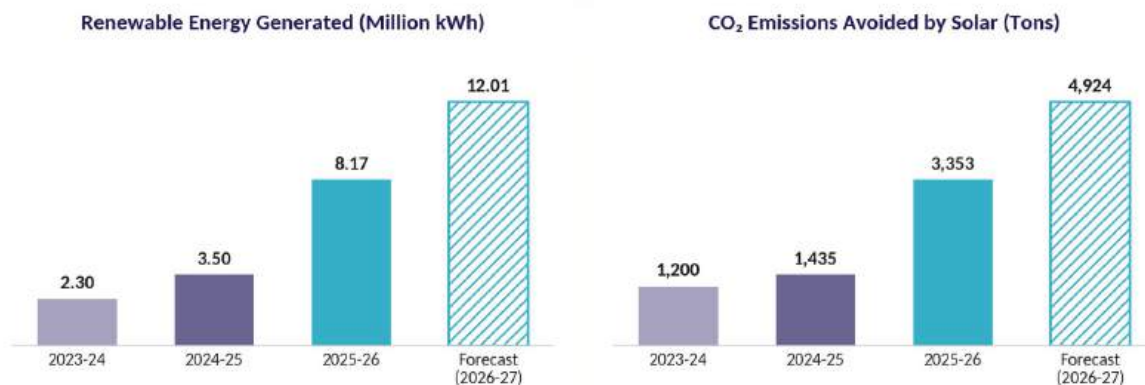
- **Additional Solar:** To further enhance efficiency and sustainability, we are installing an additional **2 MW** of solar capacity, which will take our total to **10.3 MW** and further reduce reliance on fossil fuels.
- **Battery Energy Storage (BESS):** Gatron was a pioneer in installing one of the first industrial-scale BESS in Pakistan in **2022**, and we have now ordered a new **7.5 MW / 15 MWh BESS** to support our renewable energy expansion.
- **Wind Power:** Building on last year's feasibility work, we have signed an MOU for a **7.5 MW wind turbine** in our vicinity. Wind will allow us to generate clean energy at night as well as during the day, complementing our solar portfolio.

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

Commitment to Renewable Energy

Current and Future Renewable Energy Usage: Last year we committed to tripling our solar generation capacity, and we have delivered. Gatron's renewable capacity now stands at **8.3 MW**, with solar power generating **8.17 million units** in 2025-26, compared with 3.5 million units last year and 2.3 million units in 2023-24. Looking ahead, we are committed to increasing our renewable

capacity to at least **10.3 MW**, projected to generate approximately **12.01 million units** of clean energy annually, reinforcing our long-term sustainability goals and accelerating our transition to a low-carbon future.



Forecast (2026-27) shown hatched.

Energy Efficiency Projects

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

In 2025-26, we scaled up our energy and resource efficiency programme, delivering measurable environmental and operational benefits:

- **Direct Energy Efficiency & Equipment Optimization:** Achieved **2,495,775 kWh** in direct energy savings through pump, chiller, blower, and inverter upgrades, sixteen times the savings achieved last year, avoiding approximately **1,061 tons of CO₂ emissions**, aligned with SDGs 7, 9, 12, and 13.
- **Utility & Grid Load Shifting (KE Infrastructure):** Shifted **22,674,230 kWh** of operational load, easing pressure on the grid during peak periods, supporting SDGs 7, 9, 11, and 13.
- **Staff Transport Optimization:** Saved **24,582 liters** of diesel annually through route optimization, cutting costs by **PKR 9.37 million** and reducing emissions, aligned with SDGs 7, 11, and 13.
- **Lifter Operations Optimization:** Reduced diesel consumption by **8,450 liters**, avoiding approximately **22.65 tons of CO₂ emissions**, supporting SDGs 7, 11, 12, and 13.

Overall Impact

- **Diesel Saved:** 33,032 liters (24,582 liters transport + 8,450 liters lifters).
- **Energy Saved:** 2,495,775 kWh through direct efficiency measures, in addition to 22.67 million kWh of load shifted.
- **CO₂ Avoided:** approximately **4,437 tons** across solar generation (3,353 tons), energy efficiency (1,061 tons) and lifter optimization (23 tons), more than double the 2024-25 level.

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

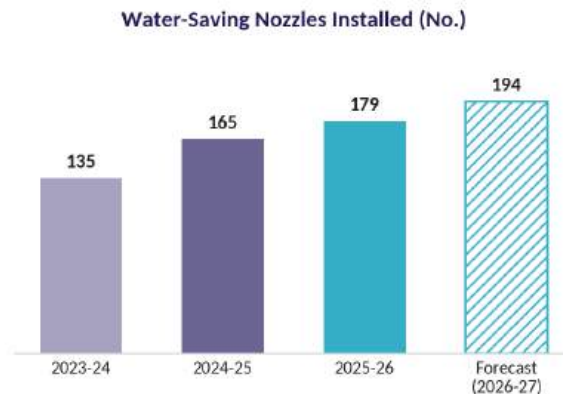
UNSDG 6: CLEAN WATER AND SANITATION

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



- **Effluent Treatment Plant (ETP):** Through advanced treatment technologies, we treat **9.07 million gallons of wastewater annually**, ensuring discharged water meets strict environmental standards to protect local ecosystems.
- **Reverse Osmosis (RO) and Ultrafiltration Plant:** Our RO system treats blowdown wastewater from cooling towers, conserving **4.98 million gallons of freshwater** each year.
- **High-Efficiency Water Nozzles:** We expanded our network to **179 water-saving nozzles** (from 165 last year), delivering annual savings of **10.5 million gallons**. An additional **15 sites** have been identified for future installations, taking us to 194 nozzles, further strengthening our conservation efforts.
- **Dissolved Air Flotation (DAF) System:** This system recovers and reuses **1.20 million gallons of backwash water** from the Ultrafiltration (UF) plant, improving water recycling efficiency.

Through these initiatives, Gatron recycles **9.07 million gallons** of its total water consumption and conserves a further **14 million gallons** of freshwater through RO recovery, efficient nozzles and DAF reuse, directly supporting UN Sustainable Development Goal (SDG) 6: *Clean Water and Sanitation*. By championing innovative water practices, we continue to set benchmarks for responsible water management in the industrial sector, reinforcing our commitment to future generations.



Forecast (2026-27) shown hatched.

UNSDG 12: RESPONSIBLE CONSUMPTION & PRODUCTION

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

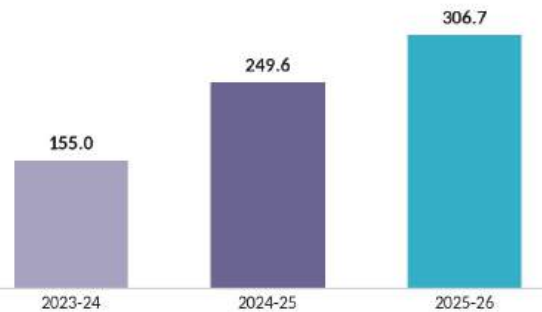


Key initiatives include:

- **Waste Minimization:** In FY 2025-26, we recycled over **57.09 million PET bottles** into high-quality recycled polyester yarn under our brand *Ecoron*, bringing the total to more than **306 million bottles** over the last three years. This initiative not only diverts plastic from landfills and oceans but also contributes to reducing our overall carbon footprint by extending the life cycle of plastics.



Cumulative PET Bottles Recycled (Millions)



Running total since 2023-24

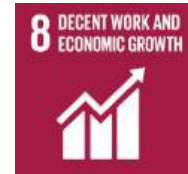
- **Resource Efficiency:** Through strategic investments in **high COP chillers, advanced air compressors, pumps, blowers, inverters and heat recovery systems**, we achieved measurable reductions in energy demand and natural gas consumption. These efforts directly support lower greenhouse gas emissions while driving more sustainable production processes.
- **Sustainable Product Innovation:** By embedding circular economy principles, Gatron continues to develop environmentally responsible products. The use of recycled inputs in manufacturing strengthens supply chain sustainability and reduces dependency on virgin raw materials.
- **Community Engagement & Education:** We actively engage employees and surrounding communities to raise awareness on responsible consumption, waste reduction, and environmental stewardship.
- **Tree Plantation Drive:** Demonstrating our environmental commitment, Gatron planted **284 trees and plants** within our premises during the year, adding to the 300 planted last year, contributing to carbon sequestration, biodiversity enhancement, and improved community well-being.



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

UNSDG 8: DECENT WORK & ECONOMIC GROWTH

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



- **Employee Welfare:**

- **Subsidized Meals:** This year, we provided over **735,435 subsidized meals** through our in-house catering facilities, which operate under strict hygiene standards. These meals ensure that employees have access to affordable and nutritious food every day.
- **Transportation Facilities:** We provided approximately **705,180 free rides** through our employee transportation program, covering the entire Hub region and Karachi. Route optimization during the year allowed us to maintain this coverage while saving 24,582 liters of diesel. By offering reliable and cost-free commuting, we improve accessibility while enhancing both well-being and job satisfaction.
- **Employee Engagement:** We actively foster a culture of inclusivity and belonging by organizing a variety of events and initiatives, including Eid celebrations, Independence Day festivities, picnics, dinners, farewell gatherings, town hall meetings, retirement acknowledgments, and our **annual Hajj balloting**, through which the company sponsors employees to perform Hajj each year.



- **Training and Development:** This year, our employees completed **1624 man hours learning courses**, equipping them with new skills and knowledge to advance their careers. Such investments in professional growth not only empower individuals but also build long-term organizational resilience.

- **Talent Management:** We continue to strengthen our talent management systems through **SAP SuccessFactors**, structured **KPIs**, and a robust performance management system. To safeguard health and safety, we also conduct regular **health risk assessments** for workers in our polymer plant, ensuring a safe and secure work environment.

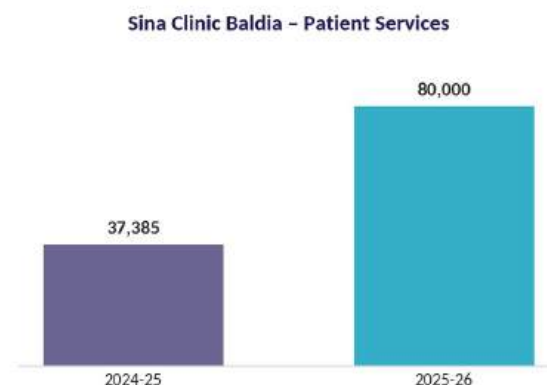
Through these initiatives, Gatron is creating a supportive and empowering workplace where employees can thrive. Our efforts demonstrate a clear commitment to **sustainable economic growth, decent work, and community well-being**, reinforcing our role as a responsible employer and industry leader.

UNSDG 3: GOOD HEALTH & WELL-BEING

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



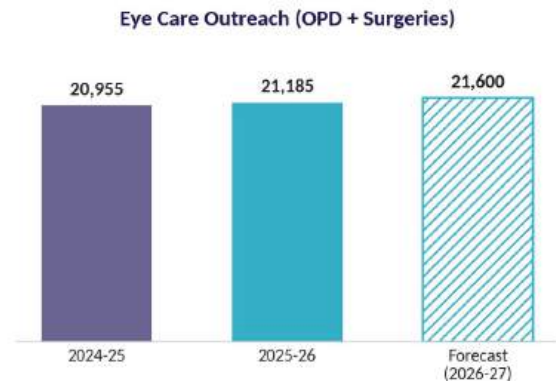
- **Sina Clinic, Baldia:** The **Gatron Foundation**, the welfare arm of the group, partnered with **Sina Clinic** to establish a healthcare facility in **Baldia, Karachi**, which opened in 2024-25. In its first full year of operations, the clinic provided over **80,000 essential health services** to the local community, more than double the 37,385 patients treated last year and well ahead of our forecast of 60,000, delivering high-quality healthcare to underserved communities.



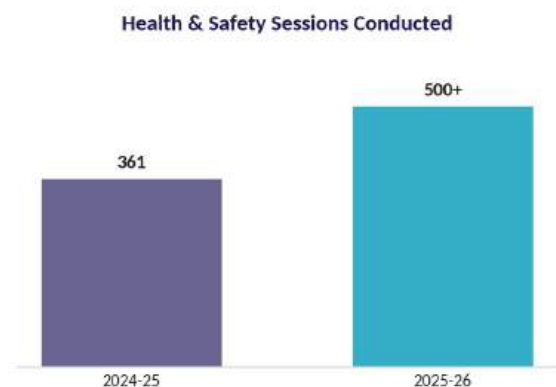
- **In-house Clinic Facilities:** Gatron continues to operate an **in-house clinic**, ensuring immediate and accessible healthcare services for employees. This on-site facility minimizes downtime and helps maintain a healthier workforce.
- **Sponsorship of Eye Care Unit at Uthal and Hub, Balochistan:** We sponsor an **Eye Care Unit in Balochistan**, providing essential eye health services to the local community. In 2025-26, the unit conducted **19,600 outpatient**

consultations and performed **1,585 eye surgeries**, up 9% on last year, making a significant impact on the prevention of blindness and the promotion of healthy vision.

- **Gatron Factory Eye Camp:** Conducted at Gatron factory, screening a total of 766 employees. Following examinations, 199 spectacles were distributed across reading, distance, and bifocal requirements.



- **Distribution of Rations and Suits:** To support welfare beyond the workplace, Gatron distributed over **4,179 ration bags** to families and provided suits to over **2,152 workers** this year. These initiatives promote nutritional security and enhance the overall living standards of our workforce.
- **Health and Safety Training:** We significantly scaled up our training initiatives, conducting **500+ health & safety sessions**, a 38% increase on last year, reinforcing a strong safety culture and preparing employees to proactively manage workplace risks.



- **Personal Protective Equipment (PPE):** The mandatory use of PPE, including helmets and safety shoes, remains a cornerstone of our workplace safety standards, preventing injuries and protecting employees on-site.
- **Safety Performance:** Our continued focus on safety has resulted in **zero fatalities for the third consecutive year**. Lost Time Injuries, our most serious recordable category, were **halved again to 2** (from 4 in 2024-25 and 9 in 2023-24), a **78% reduction over two years** and better than our forecast of 3.

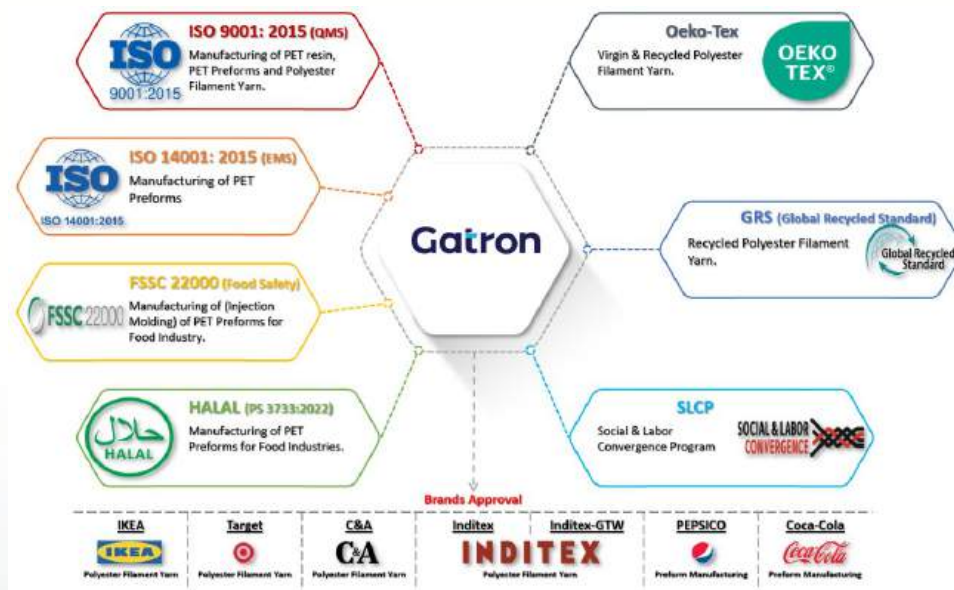
We recorded 12 Medical Treatment Injuries, and total recordable incidents remain **18% below 2023–24 levels**. These results underscore the effectiveness of our safety systems and our commitment to continuous improvement.



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

Commitment to International Standards and Responsible Production

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



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

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

Looking Ahead: 2026-27

Building on the momentum of 2025-26, our priorities for the coming year are:

- Expanding solar capacity to **10.3 MW**, generating approximately **12.01 million kWh** and avoiding an estimated **4,924 tons of CO₂**.
- Commissioning our new **7.5 MW / 15 MWh battery energy storage system** and advancing our **7.5 MW wind turbine** project.
- Driving toward our goal of **zero harm**, with a target of no more than **one Lost Time Injury** and zero fatalities.
- Continuing to grow our community healthcare reach through Sina Clinic and our Eye Care Unit in Balochistan.

RISK MANAGEMENT

Risk is an inherent aspect of business, and its effective management is fundamental to safeguarding the Company's assets, financial stability and long-term growth. The Insurance Management Department supports the Company's resilience by facilitating the transfer of insurable risks, protecting the Company's financial interests and promoting sound risk management practices across the organization.

The Company's insurance programme provides comprehensive protection against a broad range of risks, including property damage, machinery breakdown, business interruption, marine cargo, motor and other operational exposures. In addition, trade credit insurance continues to support international business by mitigating customer credit risks. This structured approach enables the Company to manage potential financial losses while maintaining operational continuity.

Beyond financial protection, the Company believes that transparency with its insurers enables more effective risk assessment, strengthens long-term partnerships and enhances preparedness in the event of a major loss. Accordingly, the Company provides insurers with access to its facilities and operational information to conduct comprehensive risk engineering surveys through their in-house and international risk engineering specialists. Risk improvement recommendations are actively reviewed and implemented, where practicable, to strengthen overall resilience.

The Company also continued to strengthen its insurance governance through more structured approaches to risk identification, assessment and claims management, ensuring that insurance arrangements remain aligned with operational requirements, financing obligations and the Company's evolving risk profile.

Ultimately, the Company's approach extends beyond the procurement of insurance. It is centred on building a resilient risk management framework that combines effective risk transfer, proactive loss prevention and strong partnerships with insurers to protect stakeholder interests and support sustainable growth.

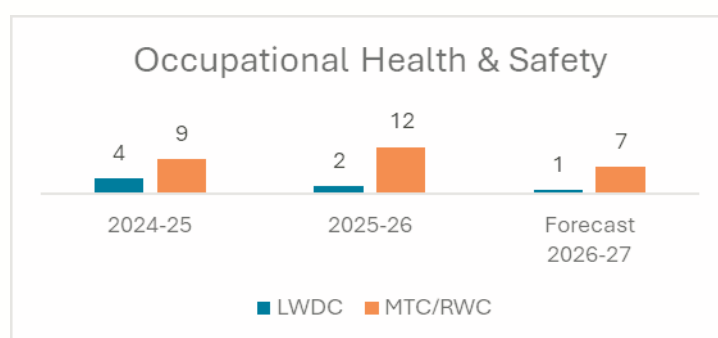
HSE & FIRE SAFETY:

Health & Safety Governance: Continued focus was maintained on strengthening workplace safety culture through regular MSAs, Gemba walks, daily TBTs, emergency drills, PTW governance, and process safety initiatives, including Management of Change (MOC) implementation. Multiple awareness and engagement sessions were also conducted to improve workforce participation and ownership of HSE compliance. The Gatron team successfully celebrated World Safety Day with active participation from all levels of the organization, ranging from top management to shop floor employees, further strengthening safety awareness and employee engagement across the site.

Training & Capability Development: Structured HSE capability development

initiatives were carried out throughout the year, including PSM awareness sessions, PPE training, live firefighting drills, and departmental competency development activities. Job Qualification Programs (JQPs) and assessment questionnaires were also developed for key departments to support long-term workforce capability enhancement. Overall, HSE training exceeded 500 man-hours during the year, reflecting a continued focus on workforce awareness, skill development, and safety culture improvement.

• **Safety Performance:** The site continued to strengthen its Occupational Health & Safety performance through proactive safety management, enhanced leadership engagement, robust KPI governance, and active workforce participation. These initiatives fostered a stronger reporting culture, encouraging early reporting and timely corrective actions. Lost Workday Cases (LWDC) were reduced significantly from 4 cases in 2024-25 to 2 cases in 2025-26, with a further reduction to 1 case forecast for 2026-27, representing a 75% overall improvement. While Medical Treatment and Restricted Work Cases (MTC/RWC) increased during 2025-26, reflecting improved reporting and intervention, the forecast reduction to 7 cases in 2026-27 indicates that preventive measures are delivering positive results and contributing to sustained improvement in overall safety performance.



HUMAN RESOURCE MANAGEMENT

At Gatron (Industries) Limited (as part of Gatronova), we remain committed to our vision of becoming the employer of choice, providing a structured framework through which employees are hired, developed, and managed in ways that support the achievement of long-term organizational goals while creating maximum stakeholder value. Over the past year, the HR function continued to strengthen a high-performance culture that aligns individual aspirations with organizational objectives, underpinned by digitalization, organizational effectiveness, and employee well-being.

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

A key focus this year was organizational effectiveness, with the completion of a comprehensive Workload Optimization Study covering headcount trends and departmental cost insights across the past three years. The study enabled data-driven workforce analytics that supported the optimization of manpower allocation and informed proposed headcount rationalizations to drive operational efficiency and cost alignment.

Building on the Digital Transformation Agenda, the company advanced its SAP SuccessFactors platform with the configuration of the Succession Planning module and preparations for organization-wide 360-degree feedback assessments to support leadership readiness and potential. Work also progressed on SAP-powered analytics dashboards, with reporting requirements and existing manual dashboards shared with the Business Intelligence team, moving the organization closer to real-time, data-driven decision-making across the HR value chain. Module adoption across Recruitment, Onboarding & Offboarding, Performance & Goal Management, and Employee Central has been fully implemented, with attention now turning to Succession, Career Development, and Learning Management System adoption.

In Talent Management and Development, the hybrid learning model introduced last year matured significantly, with 81 collaborative learning sessions delivered to over 900 participants through a behavioral competency calendar facilitated by HR Business Partners and a functional skills calendar led by internal subject matter experts. Together with LinkedIn Learning, the initiative has enabled employees to complete approximately 2,000 trainings and 18,000 training hours over the past two years, reflecting the company's sustained investment in building a skilled and adaptable workforce.

On the Talent Acquisition and Employer Branding front, the company continued to strengthen its presence across social media platforms, showcasing its culture, opportunities, and achievements to a wider talent pool, while sustaining deliberate efforts to enhance diversity in hiring and promote an inclusive workplace. Our Leadership & Trainee Programs continued to nurture future leaders through structured development journeys for Management Trainees, SAP Trainees, CA, ACCA, ICMA Trainees, and Graduate Trainee Engineers.

Strengthening Employee Engagement and Culture remained a priority, with continued emphasis on building a connected and inclusive workplace through the celebration of events such as Eid, Independence Day, New Year, and Women's Day, which brought employees together and reinforced a sense of unity, belonging, and pride. Alongside this, the company progressed the formalization of its core values, Trust, Respect, and Discipline, in consultation with the Board. HR Operations continued to enhance efficiency, with the automation of high-volume, high-transaction processes.

Through these initiatives, the company continues to invest in its people, strengthen its organizational culture, and build a more agile and future-ready HR function, reaffirming its long-term vision of becoming the employer of choice and delivering sustainable success.

INFORMATION TECHNOLOGY

During the year, Gatronova's Information Technology function continued to play a strategic role in enabling business growth, operational resilience and digital transformation across the Group. The IT strategy remained focused on building an AI enabled, secure, scalable and highly available technology ecosystem while aligning technology investments with evolving business requirements.

Ongoing Automation and AI Enablement

Gatronova continued to embed intelligent automation and AI-driven capabilities into its core operations, successfully delivering 40-45 automation sub-projects in support of the Group's ERA (Eliminate, Reduce, Automate) strategy.

These initiatives have streamlined operations across multiple functions including automated vendor payments through SAP F110 and the ongoing activation of Joule, SAP's AI-driven assistant, for SuccessFactors and S/4HANA reducing manual effort and enhancing accuracy, self-service, and productivity across the enterprise. Together, they reflect Gatronova's commitment to continuous improvement under the ERA framework, where automation and AI work in tandem to eliminate waste, reduce effort, and elevate operational efficiency. These initiatives reflect Gatronova's broader vision of an intelligent enterprise, one where automation, AI, and real-time data work together to elevate efficiency, decision-making, and user experience.

ISO/IEC 27001:2022 Certification

Information security remained a key strategic priority during the year. The Gatronova group successfully achieved the ISO/IEC 27001:2022 Information Security Management System (ISMS) certification, representing a significant milestone in strengthening the governance and protection of information assets.

ISO/IEC 27001:2022 provides an internationally recognized, risk-based framework covering information security, cybersecurity and privacy protection. The certification reflects the Group's commitment to establishing structured security governance, strengthening controls, managing information-security risks and continuously improving its overall security posture. The certification further strengthens stakeholder confidence in the Group's approach to information protection, cybersecurity and operational resilience.



Infrastructure Transformation and Modernization

The Gatronova group continued its infrastructure modernization program to establish a more secure, resilient and optimized technology foundation. The program encompasses server, network, security and end-user computing environments, with emphasis on lifecycle management, standardization, availability, performance and reduction of technology-related operational risks.

A major milestone was the Group-wide modernization of the Microsoft Windows Server environment. The initiative was executed with a strong focus on service continuity and operational stability, while establishing a modern server platform with improved security, performance and longterm support capabilities.

The modernization of the server environment also provides a stronger foundation for secure and optimized Group-wide end-user and infrastructure management, while reducing technology debt and exposure associated with aging platforms.

Network Modernization and Resilience

The Group continued to modernize and enhance its enterprise network infrastructure to support increasing business, cloud and application demands. Network transformation initiatives focused on improving availability, performance, scalability and security across critical locations and business operations.

High-availability architectures, load balancing and network redundancy were introduced and enhanced across critical services to reduce dependency on individual components and minimize single points of failure. These improvements strengthen service continuity and provide greater resilience against infrastructure failures and connectivity disruptions.

The enhanced network architecture also provides a scalable foundation for the Group's continued adoption of cloud services, SAP platforms, digital applications and centralized technology services.

IT Governance, Risk & Compliance

The Group continued to strengthen its IT governance, risk and compliance framework through the active involvement of the Information Security and IT Governance teams across associated group companies. During the year, management arranged structured Information Security Risk Assessments engagements to identify, evaluate and prioritize technology and information-security risks, and worked with respective stakeholders to define appropriate risk treatment and mitigation measures. The teams also developed and enhanced information security policies, standards and operating procedures aligned with ISO/IEC 27001:2022 requirements and Gatronova's security and governance objectives.

Technology-Enabled Business Resilience

Collectively, the Group's SAP transformation, ISO/IEC 27001:2022 certification, AI

enablement, cybersecurity initiatives, GRC, infrastructure modernization and network resilience programs represent a coordinated transformation of the Group's technology landscape.

These initiatives are designed to ensure that technology remains a secure and reliable business enabler, supporting operational continuity, business agility, information protection and sustainable growth. The IT function will continue to focus on innovation, cybersecurity, automation, infrastructure resilience and technology modernization to support the Group's strategic objectives in an increasingly digital business environment.

GENDER PAY GAP STATEMENT

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

Gender Pay Gap by Grade

	Women		Men		Gap	
	Mean	Median	Mean	Median	Mean	Median
Junior Management	95,000	95,000	90,811	95,000	(4.61)	0.00
Line Management	152,382	152,382	161,897	150,401	5.88	(1.32)

The figure reflects positive progress in promoting gender balance and pay equity. At the Junior Management level, women's pay is higher than the men, with pay parity achieved at the median. At the line Management, women's median pay is marginally high while mean pay for men is higher.

The results indicate, continued progress towards greater gender balance and pay equity. We remain committed to maintaining a fair, performance-driven culture, grounded in equal opportunity, where all employees are rewarded equitably for their contributions.

Financial Highlights

Particulars	2025	2024	2023	2022	2021	2020
Operating Results						
Pak Rupees in Thousands						
Sales	26,328,040	34,013,581	27,383,780	23,959,654	16,557,561	12,938,377
Gross Profit/(loss)	885,814	2,086,859	1,453,630	3,176,386	1,866,775	945,052
Operating Profit/(loss)	(101,451)	1,392,502	553,468	2,646,192	1,316,094	451,250
Profit/(loss) after taxation	(1,971,123)	(204,358)	205,300	1,827,244	1,065,724	1,060,633
Percentage						
Dividend - Final	-	-	30.00	-	-	125.00
Financial Position						
Pak Rupees in Thousands						
Paid up Capital	1,087,290	1,087,290	767,290	383,645	383,645	383,645
Reserves & unappropriated profit	10,285,299	12,199,873	7,092,777	7,387,797	5,571,507	4,949,084
Property, Plant & Equipment	18,448,334	18,778,042	16,938,295	9,769,076	5,949,200	3,577,722
Current Assets	15,154,844	14,828,818	19,999,229	13,366,480	8,272,998	5,699,899
Current Liabilities	13,988,826	11,346,019	19,864,692	9,407,985	5,562,385	3,362,395
Net Current Assets	1,166,018	3,482,799	134,537	3,958,495	2,710,613	2,337,504
Long Term Liabilities	7,699,976	8,614,876	8,179,328	5,696,304	2,840,439	1,174,783
Deferred Liabilities	1,225,486	1,340,828	1,672,727	795,533	502,344	415,372
Financial Ratios & Percentages						
Percentages						
Gross Profit/(Loss) Ratio	3.36	6.14	5.31	13.26	11.27	7.30
Return on Capital Employed	(0.50)	5.99	9.62	20.86	16.05	25.53
Return on Equity	(17.33)	(1.54)	2.61	23.51	17.90	19.89
Number of Times						
Inventory Turnover	3.43	3.38	2.93	4.09	4.71	4.58
Debtors Turnover	6.44	9.08	6.60	6.64	6.46	6.88
Creditors Turnover	0.94	0.89	1.24	1.32		
Total Assets Turnover	0.77	0.94	0.89	1.24	1.32	1.36
Fixed Assets Turnover	1.41	1.90	2.05	3.05	3.48	4.36
Interest Cover	(0.07)	0.93	1.52	9.30	11.48	8.15
Ratio						
Debt-Equity	44 : 56	43 : 57	53 : 47	43 : 57	32 : 68	18 : 82
Current Ratio	1.08 : 1	1.31 : 1	1.01 : 1	1.42 : 1	1.48 : 1	1.70 : 1
Per Share Results and Returns						
Pak Rupees						
Break-up Value	104.60	122.20	102.44	202.54	155.23	139.00
Earnings per Share - Basic and diluted*	(18.13)	(2.36)	2.61	23.81	27.78	27.65
Dividend per Share	0.00	0.00	3.00	0.00	0.00	12.50
Dividend per Share-interim						
Percentages						
Dividend Yield	0.00	0.00	1.33	0.00	0.00	2.17
Dividend Pay Out	0.00	0.00	114.94	0.00	0.00	45.21
Number of Times						
Price Earning Ratio - Year end price*	(8.05)	(89.11)	84.35	17.51	17.11	20.80
Share Performance						
Pak Rupees						
Highest	221.83	299.00	489.99	450.00	619.99	575.12
Lowest	101.74	180.00	225.70	399.00	412.00	282.28
At year end	145.88	210.00	225.70	417.00	475.20	575.12

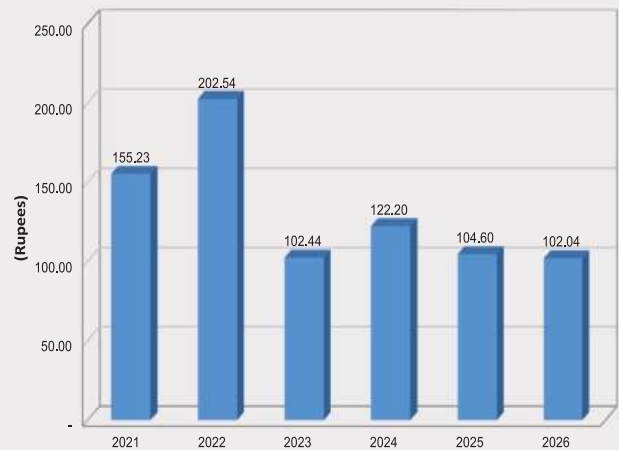
*Restated

Graphical Presentation

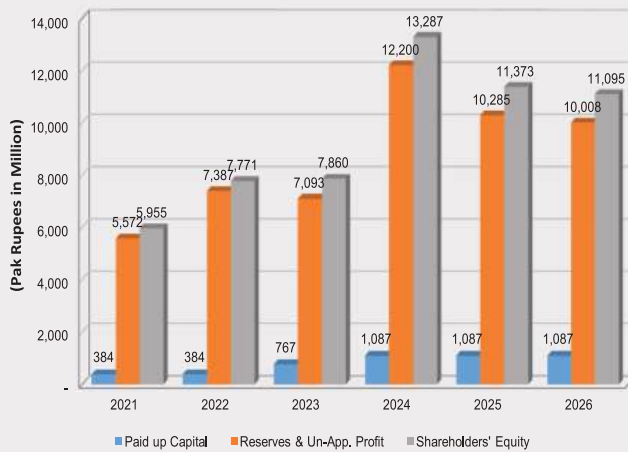
SALES



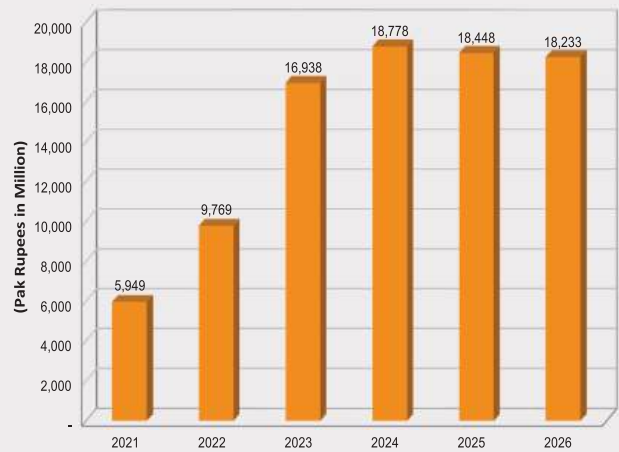
BREAKUP VALUE OF SHARES



SHAREHOLDER'S EQUITY



PROPERTY, PLANT AND EQUIPMENT



Independent Auditor's Review Report to the Members of Gatron (Industries) Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Gatron (Industries) Limited (the company) for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Kreston Hyder Bhimji & Co.

Chartered Accountants

Karachi:

Date: September 21, 2026

UDIN Number: CR202610729crmGSgPWV

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

Name of Company: Gatron (Industries) Limited Year
Year ended: June 30, 2026

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

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

- a) Male: 9
- b) Female: 1

2. The composition of Board is as follows:

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

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

- 3. The Directors have confirmed that none of them are serving as a Director on more than seven listed companies, including this Company.
- 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company, along with its supporting policies and procedures.
- 5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company.
- 6. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

7. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
9. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
10. All the Directors have either obtained Certificate of Director's Training Program or are exempted from the requirement of Director's Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019.
11. The Board has approved appointment of Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
12. Chief Financial Officer and Chief Executive Officer duly endorsed the unconsolidated and consolidated financial statements before approval of the Board.
13. The Board has formed committees comprising of members given below:

Committee	Name of members and chairman
Audit Committee	Muhammad Tufail Iqbal (Chairman) Muhammad Iqbal Bilwani Talat Iqbal
HR and Remuneration Committee	Talat Iqbal (Chairman) Muhammad Iqbal Bilwani Saqib Haroon Bilwani

14. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
15. The frequency of meetings of the committees was as per following:

Committee	Frequency of meetings
Audit Committee	Quarterly
HR and Remuneration Committee	Bi-Annually

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

17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all requirements of Regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. With respect to the compliance with Regulation 6, the Board has appointed three independent directors, and the fraction one-third number was not rounded up to one as the three independent directors elected had requisite competencies, skills, knowledge and experience to fulfil their obligations as per the requirements of the applicable laws and regulations and hence, appointment of fourth independent director was not warranted.
20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below:

Sr no.	Reg no.	Requirement	Explanation
1	10A	The Board may establish a dedicated sustainability committee to address sustainability risks and opportunities.	The Board is handling relevant responsibilities diligently. It is not deemed necessary to constitute a separate sustainability committee. Furthermore, with respect to anti-harassment policy and companies' diversity, equity and inclusion (DE&I) are taken care by the management of the Company with oversight by the relevant Board Audit Committee and also where needed the Board provides governance and oversight in relation to the companies initiatives over environmental social and governance (ESG) matters. Nevertheless, the Board will continue to evaluate the need for separate committee requirements as circumstances evolve.

Sr no.	Reg no.	Requirement	Explanation
2	29	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The Board is currently handling the responsibilities typically assigned to a Nomination Committee directly at the Board level. Given this effective management, the establishment of a separate Nomination Committee is not deemed necessary at this time. The Board will continue to evaluate the need for such a committee as circumstances evolve.
3	30	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry almost out a review of the effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a risk management committee as risk management framework is effectively managed at the Company's level by the executive committee which is headed by the CEO and the CEO apprises the Board accordingly.
4	35(1)	Disclosure of significant policies on websites.	All policies are effectively communicated to the relevant employees and directors. The Board may consider publishing these policies and their summaries on the Company website in the future.

SHABBIR DIWAN
CHIEF EXECUTIVE OFFICER

ABDUL RAZAK DIWAN
CHAIRMAN

Karachi: September 18, 2026

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

Report on the Audit of Un-Consolidated Financial Statements

Opinion

We have audited the annexed un-consolidated financial statements of **Gatron (Industries) Limited**, ("the Company") which comprise the un-consolidated statement of financial position as at June 30, 2026, the un-consolidated statement of profit or loss, the un-consolidated statement of comprehensive income, the un-consolidated statement of changes in equity, the un-consolidated statement of cash flows for the year then ended and notes to the un-consolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the un-consolidated statement of financial position, un-consolidated statement of profit or loss, the un-consolidated statement of comprehensive income, the un-consolidated statement of changes in equity and the un-consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter(s)

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

Following are the Key audit matters:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	<u>Recognition of Revenue</u> Revenue from sale of the Company's products was Rs. 30,146.97 million as disclosed in note 3.17 and 30. Revenue is recognized at point in time when performance obligations are satisfied by transferring control of promised goods to customer. Revenue being one of key performance indicator of the Company and there is inherent risk of material misstatement involved in revenue recognition has resulted in the revenue recognition being considered as a key audit matter.	Our audit procedures included the following: ➤ Assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➤ Obtained an understanding of management's internal controls over the revenue process and tested effectiveness of controls relevant to such process. ➤ Performed cut-off procedures on sample basis on revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, invoices and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period. ➤ Performed test of details by selecting sample of transactions for comparing with sales invoices, dispatch documents and other underlying records; and ➤ Performed other related procedures and evaluated the appropriateness of disclosures in the un-consolidated financial statements in accordance with the requirements of the accounting and reporting standards applicable in Pakistan.

S. No.	Key audit matter(s)	How the matter was addressed in our audit
2	<u>Borrowings</u> The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 14,698.35 million, being 69.28% of total liabilities, as at reporting date. Given the significant level of borrowings, finance costs and gearing impact, the disclosure given by the management in un-consolidated financial statements and compliance with various loan covenants, this is considered to be a key audit matter. (refer notes 3.15, 20 and 26 to the un-consolidated financial statements).	Our audit procedures included the following: ➤ Reviewed loan agreements and facility letters on sample basis to ascertain the terms and conditions of repayment, rates of markup/profit used and disclosed by the management and ensured that the borrowings have been approved at appropriate level. ➤ Verified disbursement of loans and utilization on sample basis. Reviewed charge registration documents. ➤ Verified repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made. ➤ Checked the Company's compliance with the debt covenants on sample basis as outlined in the loan agreements. ➤ Performed analytical procedures, recalculations and other related procedures for verification of finance costs on sample basis; and ➤ Ensured that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the un-consolidated financial statements.

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

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

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

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

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

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the un-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the un-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the un-consolidated financial statements, including the disclosures, and whether the un-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the un-consolidated statement of financial position, the un-consolidated statement of profit or loss, the un-consolidated statement of comprehensive income, the un-consolidated statement of changes in equity and the un-consolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Chartered Accountants

Karachi:

Dated: September 21, 2026

UDIN: AR202610729xD1yaRCTP

GATRON (INDUSTRIES) LIMITED**UN-CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2026

	Note	(Rupees in Thousand)	
		2026	2025
ASSETS			
Non - Current Assets			
Property, plant and equipment	4	18,232,518	18,448,334
Intangible asset	5	49,669	50,127
Long term investments	6	374,552	443,964
Long term loans	7	23,795	182,672
Long term deposits	8	6,936	6,936
		18,687,470	19,132,033
Current Assets			
Stores, spare parts and loose tools	9	1,919,310	2,098,667
Stock in trade	10	6,750,520	7,313,274
Trade debts	11	3,626,107	4,662,811
Loans and advances	12	292,546	572,899
Current portion of long term loans	13	220,375	18,874
Trade deposits and short term prepayments	14	1,128	9,362
Other receivables	15	255,281	309,016
Advance income tax		100,000	50,000
Short term investment	16	350,000	-
Cash and bank balances	17	109,205	119,941
		13,624,472	15,154,844
TOTAL ASSETS		32,311,942	34,286,877
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	1,087,290	1,087,290
Reserves	19	10,007,598	10,285,299
		11,094,888	11,372,589
LIABILITIES			
Non - Current Liabilities			
Long term financing	20	7,053,954	7,628,310
Lease liability against right of use assets	21	36,522	71,666
Deferred liabilities and income	22	1,491,329	1,225,486
		8,581,805	8,925,462
Current Liabilities			
Trade and other payables	23	3,864,557	4,550,612
Unclaimed dividend		775	853
Unpaid dividend	24	20,801	20,801
Accrued mark-up/ profit	25	488,589	480,103
Short term borrowings	26	6,069,266	6,909,208
Current portion of long term financing	20	1,575,139	1,488,520
Current portion of lease liability against right of use assets	21	25,419	23,322
Current portion of deferred liabilities and income	27	388,188	248,026
Provision for levies and income tax less payments	28	202,515	267,381
		12,635,249	13,988,826
CONTINGENCIES AND COMMITMENTS	29		
TOTAL EQUITY AND LIABILITIES		32,311,942	34,286,877

The notes 1 to 51 annexed herewith form an integral part of these un-consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

Buying/Selling closing conversion rates were 1 US\$ = Rs.278.05/278.55, 1 Euro € = Rs.316.92/317.51 and 1 Pound £ = Rs.367.64/368.32

GATRON (INDUSTRIES) LIMITED

UN-CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	(Rupees in Thousand)	
		2026	2025
Sales	30	30,146,977	26,328,040
Cost of sales	31	28,438,540	25,442,226
Gross profit		1,708,437	885,814
Distribution and selling costs	32	319,521	446,117
Administrative expenses	33	522,838	486,070
Other expenses	34	129,897	166,788
		972,256	1,098,975
		736,181	(213,161)
Other income	35	661,607	111,710
Operating profit/(loss)		1,397,788	(101,451)
Finance cost	36	1,346,652	1,539,267
Profit/(loss) before levies and income tax		51,136	(1,640,718)
Levies	37	375,818	329,842
Loss before income tax		(324,682)	(1,970,560)
Income tax	38	-	563
Loss for the year		(324,682)	(1,971,123)
Loss per share - Basic and diluted (Rupees)	39	(2.99)	(18.13)

The notes 1 to 51 annexed herewith form an integral part of these un-consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITED**UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026**

	Note	(Rupees in Thousand)	
		2026	2025
Loss for the year		(324,682)	(1,971,123)
Other comprehensive income		-	-
<i>Items that will never be reclassified to statement of profit or loss</i>			
Gain on remeasurement of defined benefit plan having nil tax impact	22.2	46,981	56,549
Total comprehensive loss		<u>(277,701)</u>	<u>(1,914,574)</u>

The notes 1 to 51 annexed herewith form an integral part of these un-consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITEDUN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	(Rupees in Thousand)				Total
	Share capital	Capital reserves (note 19)	Reserves (Accumulated loss)/ Unappropriated profit	Sub Total	
Balances as at July 01, 2024	1,087,290	11,656,603	543,270	12,199,873	13,287,163
Total comprehensive loss for the year ended June 30, 2025					
Loss for the year	-	-	(1,971,123)	(1,971,123)	(1,971,123)
Other comprehensive income	-	-	56,549	56,549	56,549
	-	-	(1,914,574)	(1,914,574)	(1,914,574)
Balances as at June 30, 2025	1,087,290	11,656,603	(1,371,304)	10,285,299	11,372,589
Total comprehensive loss for the year ended June 30, 2026					
Loss for the year	-	-	(324,682)	(324,682)	(324,682)
Other comprehensive income	-	-	46,981	46,981	46,981
	-	-	(277,701)	(277,701)	(277,701)
Balances as at June 30, 2026	1,087,290	11,656,603	(1,649,005)	10,007,598	11,094,888

The notes 1 to 51 annexed herewith form an integral part of these un-consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITED

UN-CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	(Rupees in Thousand)	
		2026	2025
Cash Flows from/(towards) Operating Activities			
Profit/(loss) before levies and income tax		51,136	(1,640,718)
Adjustments for non cash income and expenses:			
Depreciation on property, plant and equipment	4.2	1,808,621	1,516,800
Depreciation on right of use assets	4.6	20,151	24,639
Amortization of intangible asset	5	10,334	10,025
Provision for defined benefit plan	22.2	131,141	143,848
Gain on disposal of property, plant and equipment	35	(26,355)	(23,758)
Impairment in long term investments	34	69,412	53,871
Impairment of allowance for ECL-net	34	48,101	45,761
Impairment allowance for slow moving stores, spare parts and loose tools-net	34	7,976	15,220
Amortization of interest free long term loan to subsidiary company	35	(37,900)	(49,441)
Remeasurement gain on discounting of provision for GIDC	35	-	(1,173)
Remeasurement gain on discounting of provision for SDMIC	35	(344,013)	-
Finance costs	36	1,346,652	1,539,267
		3,034,120	3,275,059
		3,085,256	1,634,341
Decrease/(increase) in current assets:			
Stores, spare parts and loose tools		171,381	(123,566)
Stock in trade		562,754	189,750
Trade debts		988,603	(1,192,347)
Loans and advances		280,353	(112,416)
Trade deposits and short term prepayments		8,234	62,163
Other receivables		10,566	575,632
		2,021,891	(600,784)
Increase/(decrease) in trade and other payables		207,442	(970,832)
Cash flows from operations		5,314,589	62,725
(Payments for)/receipt of:			
Long term loans		(4,724)	300,582
Defined benefit plan	22.2	(69,350)	(41,473)
Finance costs		(1,326,687)	(1,587,810)
Income tax		(441,882)	(247,633)
Group taxation impact		(5,633)	(1,975)
Net cash flows from/(towards) operating activities		3,466,313	(1,515,584)
Cash flows (towards)/from Investing Activities			
Additions in property, plant and equipment		(1,663,630)	(1,243,955)
Proceeds from disposal of property, plant and equipment	4.3	63,564	48,503
Additions in intangible assets	5	(9,876)	-
Increase in short term investment		(350,000)	-
Net cash flows towards investing activities		(1,959,942)	(1,195,452)
Cash flows from/(towards) Financing Activities			
Long term financing - proceeds received		783,486	286,053
Long term financing - repayments		(1,429,512)	(1,039,695)
Payments for lease liability against right of use assets		(31,061)	(34,668)
Short term borrowings - net (fixed term instruments)		1,082,963	142,609
Dividend paid		(78)	(7,366)
Net cash flows from/(towards) financing activities		405,798	(653,067)
Net increase/(decrease) in cash and cash equivalents		1,912,169	(3,364,103)
Cash and cash equivalents at the beginning of the year		(6,481,833)	(3,117,730)
Cash and cash equivalents at the end of the year	40	(4,569,664)	(6,481,833)

The notes 1 to 51 annexed herewith form an integral part of these un-consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITED

NOTES TO THE UN-CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan in 1980 as a Public Limited Company and its shares are quoted at Pakistan Stock Exchange Limited since 1992. The principal business of the Company is manufacturing of Polyester Filament Yarn through its self-produced Polyester Polymer/Chips. The Company also produces Pet Preforms. The registered office of the Company is situated at Room No. 32, 1st floor, Ahmed Complex, Jinnah Road, Quetta whereas the manufacturing facility of the Company is situated at Plot No 441/49-M2, Sector "M", H.I.T.E., Main R.C.D. Highway, Hub Chowki, Distt Lasbela, Balochistan, Liaison office of the Company is situated at 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi and 2nd floor, Bahria Complex-I, M.T. Khan Road, Karachi.

1.1 The Company also wholly owns following Subsidiary Companies:

- Gatro Power (Private) Limited, which is engaged in power generation.
- Global Synthetics Limited, which has yet to commence its operations.
- G-Pac Energy (Private) Limited, which is engaged in power generation and commence its operations from January 2025.

1.2 The Board of Directors of Gatron (Industries) Limited on January 28, 2026 have resolved to authorize the Company to enter into a Scheme of Arrangement ("Scheme") with Nova Frontiers Limited ("NFL") and Ghani & Tayub (Private) Limited ("G&T").

Under the proposed Scheme:

- (i) NFL will cancel the shares held by the certain categories of its shareholders (collectively referred to as the "Outgoing Shareholders"). As a consequence of the aforesaid, the 29.33% shareholding of Gatron, currently held by NFL, will be cancelled and in lieu of the cancelled shares new shares of Gatron will be issued to the Outgoing Shareholders/beneficial owners of outgoing shareholders of NFL. New shares will be issued on the basis of swap ratio to be determined by professional valuer after undertaking the valuation of the companies.
- (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.

In accordance with the directions of the Hon'ble Court, the shareholders of all the companies involved have approved the proposed restructuring. The matter is now pending before the Hon'ble High Court of Balochistan at Quetta for further proceedings and sanction of the Scheme.

2 BASIS OF PREPARATION

2.1 Basis of measurement

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

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

2.2 Separate financial statements

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

2.3 Functional and presentation currency

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

2.4 Statement of Compliance

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

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

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

2.5 Standard, Interpretations and amendments to the approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2025. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

2.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective from accounting period beginning on or after:
IAS-7	Statement of Cash Flows (Amendments)	January 01, 2026
IAS-21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 01, 2027
IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 01, 2027
IFRS-7	Financial Instruments: Disclosures (Amendments)	January 01, 2026
IFRS-9	Financial Instruments (Amendments)	January 01, 2026
IFRS 10	Consolidated Financial Statements (Amendments)	January 01, 2026
IFRS 17	Insurance Contracts (Amendments)	January 01, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 01, 2027

The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the unconsolidated financial statements other than in presentation / disclosures.

2.5.3 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC - 12	Service Concession Arrangement

2.6 Critical Accounting Estimates and Judgments

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

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

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

2.6.1 Property, plant and equipment and Intangible asset

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

2.6.2 Impairment of financial assets

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

2.6.3 Stock in trade

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

2.6.4 Stores, spare parts and loose tools

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

2.6.5 Defined benefit plan

The actuarial valuation of defined benefit plan, have been premised on certain actuarial hypothesis, as disclosed in note 3.9.2 and 22.2. Changes in assumptions in future years may affect the liability under this scheme upto those years.

2.6.6 Levies

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

2.6.7 Income tax

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

2.6.8 Impairment of investment in Subsidiary Companies

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

2.6.9 Contingencies

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

2.6.10 Leases

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these un-consolidated financial statements are the same as those consistently applied in the preparation of the un-consolidated financial statements of the Company for the year ended June 30, 2025. The principal material policies applied in the preparation of these un-consolidated financial statements are set out below:

3.1 Property, plant and equipment

Initial Recognition:

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

Measurement:

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

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

Subsequent costs:

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

Depreciation:

Depreciation is charged on diminishing balance method except overhauling (major parts), which are depreciated at straight line method, at the rates mentioned in Note 4.1, whereby the depreciable amount of an asset is written off over its estimated useful life. Depreciation on addition is charged from the month of the asset is available for use upto the month prior to disposal.

Impairment:

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

Write off:

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

Gain or Loss:

Gain or loss on disposal of property, plant and equipment, if any, is recognized in the un-consolidated statement of profit or loss.

Right of use assets:

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

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

3.2 Intangible Asset

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

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

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

3.3 Impairment**Financial assets**

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

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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

Non-financial assets

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

3.4 Investments

Subsidiary Companies

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

3.5 Stores, spare parts and loose tools

These are valued at weighted average cost. Items in transit are valued at cost comprising of invoice value and other incidental charges incurred thereon till the reporting date. Adequate impairment allowance is made for slow moving and obsolete items based on parameter set out by the management as stated in note 2.6.4. The major value spares and stand by equipments are capitalized and depreciated according to their useful life.

3.6 Stock in trade

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

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

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

3.7 Trade debts, advances and other receivables

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

3.8 Cash and cash equivalents

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

3.9 Employees' post employment benefits

3.9.1 Defined contribution plan

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

3.9.2 Defined benefit plan

The Company operates an unfunded defined gratuity scheme, in addition to defined contribution plan being not mandatory under the law, for its employees and working directors who attain the minimum qualification period. The obligation is determined through actuarial valuation by an independent actuary using the "Projected Unit Credit Method". The latest actuarial valuation was conducted on the balances as at June 30, 2026.

3.10 Compensated unavailed leaves

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

3.11 Government scheme

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

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

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

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

3.12 Income Tax

Current

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

Deferred

The Company accounts for deferred income tax on all temporary timing differences using the liability method. Deferred income tax assets are recognized to the extent, it is probable that taxable profit will be available against which, the deductible temporary differences, unused tax losses and tax credits, can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. In this regard, the effect on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted.

Levies

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

3.13 Trade and other payables

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

3.14 Provision

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

3.15 Borrowings and their costs

Borrowings are recorded as the proceeds received.

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

3.16 Foreign currency transactions and translation

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

3.17 Revenue recognition

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

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

3.18 Earnings per share

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

3.19 Dividend and appropriation to reserve

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

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

3.20 Financial instruments

Initial measurement of financial asset

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

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

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

Subsequent measurement

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

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

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

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

Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.21 Financial liabilities

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

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

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

3.22 Offsetting of financial assets and financial liabilities

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

3.23 Operating segments

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

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

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

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

3.24 Contingent liabilities

Contingent liability is disclosed when

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.25 Lease liabilities

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

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

4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress
Right of use assets

Note

(Rupees in Thousand)

2026

2025

16,486,691

17,734,041

1,702,736

637,586

43,091

76,707

18,232,518

18,448,334

4.1 Operating fixed assets

Particulars	(Rupees in Thousand)										TOTAL
	Land		Building		Office premises	Plant and machinery	Furniture and fixtures	Factory equipment	Office equipment	Motor vehicles	
	Freehold	Leasehold	On freehold land	On leasehold land							
Net carrying value											
Year ended June 30, 2026											
Net book value (NBV) as at 01st July, 2025	355,593	45,574	266,940	1,535,993	596	15,213,244	1,646	49,746	6,923	257,786	17,734,041
Additions-Direct	-	-	-	-	-	5,542	-	4,227	783	75,454	86,006
Transfer from capital work in progress (note 4.5)	-	-	-	-	-	512,474	-	-	-	-	512,474
Less: Disposal at NBV (note 4.3)	-	-	-	-	-	1,328	-	-	-	35,881	37,209
Less: Depreciation (note 4.2)	-	-	26,694	153,599	60	1,561,260	329	10,624	1,539	54,516	1,808,621
Net book value as at 30th June, 2026	355,593	45,574	240,246	1,382,394	536	14,168,672	1,317	43,349	6,167	242,843	16,486,691
Gross carrying value											
At June 30, 2026											
Cost	355,593	45,574	297,389	2,325,720	3,571	24,216,455	5,316	148,356	24,251	498,183	27,920,408
Less: Accumulated depreciation	-	-	57,143	943,326	3,035	10,047,783	3,999	105,007	18,084	255,340	11,433,717
Net book value	355,593	45,574	240,246	1,382,394	536	14,168,672	1,317	43,349	6,167	242,843	16,486,691
Depreciation rate - % per annum	-	-	10	10	10	10 to 30	20	20	20 to 30	20	

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

4.2 Depreciation for the year has been allocated as follows:

Cost of sales	Note	(Rupees in Thousand)
Distribution and selling costs	31	1,796,947
Administrative expenses	32	3,607
	33	8,067
		1,808,621
		1,516,800

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

(Rupees in Thousand)

Description	Cost	Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyers
PLANT AND MACHINERY						
Items having book value upto Rs.500 thousand each	41,046	1,328	4,722	3,394	Negotiation	Various
Sub Total	41,046	1,328	4,722	3,394		
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
TOYOTA COROLLA GLI BRK-454	2,875	777	1,601	824	Company Policy	Mr. Hamid Employee of the company
TOYOTA YARIS GLI CVT CCL-023	4,835	4,755	4,836	81	Company Policy	Mr. Faraz ul Haq Employee of the company
HONDA BRV, I-VTEC BH-5312	3,267	867	2,043	1,176	Company Policy	Mr. Attique Ahmed Employee of the company
SUZUKI SWIFT DLX BRK-483	2,140	568	1,423	855	Company Policy	Mr. Zakaria Memon Employee of the company
TOYOTA COROLLA CROSS AT BN-5943	8,767	7,472	8,088	616	Company Policy	Mr. Muhammad Naeem Employee of the company
KIA PICANTO A/T BSF-304	2,004	593	1,631	1,038	Company Policy	Mr. Nabeel Afzal Employee of the company
TOYOTA YARIS ATIV CVT BZY-779	4,766	3,249	4,277	1,028	Company Policy	Mr. Waqas Tipu Employee of the company
SUZUKI CULTUS VXR BVE-550	1,655	650	1,655	1,005	Company Policy	Mr. Muhammad Yaseen Employee of the company
TOYOTA COROLLA GLI BRP-643	2,875	747	1,651	904	Company Policy	Mr. Muhammad Khalid Employee of the company
HONDA BR-V I-VTEC BL-7634	6,328	3,873	5,728	1,855	Company Policy	Mr. Imran Khan Employee of the company
Lifter Diesel operated	2,681	445	600	155	Negotiation	Messrs. Novatex Limited-Related Party Ground floor, G&T Tower, #18 Beaumont Road, Civil Lines 10, Karachi
Items having book value upto Rs.500 thousand each	8,106	1,883	6,163	4,280	Company Policy / negotiation	Various
Sub Total	75,442	35,881	58,842	22,961		
Total - 2026	116,488	37,209	63,564	26,355		
Total - 2025	116,484	24,745	48,503	23,758		

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

Particulars	Location	Approximate Area
Land		
Freehold	Plot#435/43, 441/49, 442/49, 443/49, 446/49/1, 445/49/1, 448/36, 450/41, 452/44, 452/440/44, 453/440/44, 36, 45/1, 53/2, 73-74min & 509/1 at H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	27 Acres
Freehold	Plot#34 & 36 at Manghopir, Gadap Town, Karachi	13 Acres
Leasehold	Plot# 436/43, 437/43, 438/43, 439/44, 449/41, 451/440/44, 44, 50, 50/1, 52, 52/1 & 53/1 at H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	35 Acres
Building		
On Freehold land	H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	11,500 Sq. Meters
On Leasehold land	H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	163,800 Sq. Meters
Office Premises	Office#1A, 3A, 3B & 7B at Textile Plaza, M.A Jinnah Road / Dunolly Road Karachi	350 Sq. Meters
Office Premises	Office#207-212, Gul Tower, I.I Chundrigar Road, Karachi	225 Sq. Meters
Office Premises	Room#32, Ahmed Complex, Jinnah Road, Quetta	30 Sq. Meters
Office Premises	Madina Plaza, Katcheri Bazar, Faisalabad	160 Sq. Meters

4.5 Capital Work-in-Progress

(Rupees in Thousand)			
Balance as at July 1, 2025	Additions	Transfer to Operating fixed assets	Balance as at June 30, 2026
Plant and machinery under erection	637,586	1,577,624	(512,474)
	637,586	1,577,624	(512,474)
			1,702,736
Balance as at July 1, 2024	Additions	Transfer to Operating fixed assets	Balance as at June 30, 2025
Factory building under construction	673,078	16,559	(689,637)
Plant and machinery under erection	4,175,481	999,231	(4,537,126)
	4,848,559	1,015,790	(5,226,763)
			637,586

4.5.1 It includes borrowing cost of Rs.0.159 million (2025: Rs.1.948 million) . Effective rate of borrowing cost @8.50% (2025: 11.21% to 12.14%).

		(Rupees in Thousand)	
	Note	2026	2025
4.6 Right of use assets			
Rented premises:			
Balance as at start of the year		76,707	108,825
Effect of lease modification during the year		(13,465)	(7,479)
Depreciation for the year	4.6.1	(20,151)	(24,639)
Balance as at end of the year		43,091	76,707
Gross carrying amount as at June 30			
Cost		125,066	132,545
Modification		(13,465)	(7,479)
Accumulated Depreciation		(68,510)	(48,359)
		43,091	76,707
4.6.1 Allocation of depreciation			
Distribution and selling costs	32	8,368	8,368
Administrative expenses	33	11,783	16,271
		20,151	24,639

		Note	(Rupees in Thousand)	
			2026	2025
5	INTANGIBLE ASSET			
	Software & licences			35,898
	Balance as at start of the year		50,127	60,152
	Additions during the year		9,876	-
			60,003	60,152
	Amortization during the year	5.1	(10,334)	(10,025)
	Balance as at end of the year		49,669	50,127
	Gross carrying amount as at June 30			
	Cost		80,202	80,202
	Addition during the year		9,876	-
	Accumulated Amortization		(40,409)	(30,075)
			49,669	50,127
	Useful life		8 Years	8 Years
	Remaining Useful life		4 / 7 Years	5 Years
5.1	Allocation of amortization			
	Cost of sales	31	309	-
	Administrative expenses	33	10,025	10,025
			10,334	10,025
6	LONG TERM INVESTMENTS			
	Wholly Owned Subsidiary Companies-Unquoted			
	22.575 million (2025: 22.575 million) shares including 7.525 million bonus shares in Messrs. Gatro Power (Private) Limited	6.1	150,500	150,500
	55,000 (2025: 55,000) shares in Messrs. Global Synthetics Limited	6.2	550	550
	Impairment loss	6.3	(473)	(449)
			77	101
	25 million (2025: 25 million) shares in Messrs. G-Pac Energy (Private) Limited	6.4	250,000	250,000
	Present value discounting impact of interest free long term loan to Messrs. G-Pac Energy (Private) Limited	6.5	210,288	210,288
	Impairment loss	6.6	(236,313)	(166,925)
			223,975	293,363
			374,552	443,964
6.1	The value of investment on the basis of the net assets, as reported in its audited financial statements as at June 30, 2026 amounted to Rs.1,461.787 million (2025: Rs.1,634.244 million).			
6.2	The value of the investment on the basis of the net assets, as reported in its audited financial statements as at June 30, 2026 amounted to Rs.77 thousand (2025: Rs.101 thousand).			
6.3	Impairment loss			
	Balance as at start of the year		449	400
	Charge for the year	34	24	49
	Balance as at end of the year		473	449
6.4	The value of the investment on the basis of the net assets, as reported in its audited financial statements as at June 30, 2026 amounted to Rs.223.975 million (2025: Rs.293.363 million).			
6.5	This represents difference between receipt value and present value at the time of disbursement at relevant risk free rate of interest free loan given to Subsidiary Company.			
6.6	Impairment loss			
	Balance as at start of the year		166,925	113,103
	Charge for the year	34	69,388	53,822
	Balance as at end of the year		236,313	166,925

		(Rupees in Thousand)	
		2026	2025
7	LONG TERM LOANS - Considered good		
	Unsecured - Interest free		
	To subsidiary company - M/s. G-Pac Energy (Private) Limited		
	Balance at start of the year	245,409	545,409
	Disbursement during the year	-	25,100
	Receipt during the year	-	(325,100)
		245,409	245,409
	Present value adjustment taken to long term investments	(210,288)	(210,288)
	Amortization of long term loan	182,428	144,528
		217,549	179,649
	Current portion of long term loan to subsidiary company	(196,999)	-
		20,550	179,649
	Secured - Interest free		
	To employees other than Chief Executive & Directors	26,621	21,897
	Amount due in twelve months shown under current assets	(23,376)	(18,874)
	Recoverable within three years	3,245	3,023
		23,795	182,672
7.1	This represents interest free long term loan given to Subsidiary Company Messrs. G-Pac Energy (Private) Limited for period of three years. The maximum aggregate amount due at any month end during the year was Rs. 245.409 million (2025: Rs.548.309 million).		
7.2	The Company has recorded the interest free long term loan given to Subsidiary Company Messrs. G-Pac Energy (Private) Limited at its present value by discounting the future cash flows at prevailing risk free rate. The amount of difference between loan and its present value shall be amortized during the tenor of loan.		
7.3	The above loans are under the terms of employment and are secured against the post employment benefits of the employees.		
7.4	Interest free long term loans have been carried out at cost as the effect of carrying these balances at amortized cost is not material.		
8	LONG TERM DEPOSITS		
	Security deposits for utilities and others	6,936	6,936
9	STORES, SPARE PARTS AND LOOSE TOOLS		
	In hand:		
	Stores	983,524	1,070,529
	Spare parts	1,069,220	1,152,143
	Loose tools	6,914	6,726
		2,059,658	2,229,398
	Impairment allowance for slow moving stores, spare parts and loose tools	(141,107)	(133,131)
		1,918,551	2,096,267
	In transit	759	2,400
		1,919,310	2,098,667
9.1	Impairment allowance for slow moving stores, spare parts and loose tools		
	Balance as at start of the year	133,131	117,911
	Impairment allowance for the year	7,976	15,220
	Balance as at end of the year	141,107	133,131
10	STOCK IN TRADE		
	Raw and packing material	1,302,846	1,097,642
	Raw and packing material in transit	106,203	327,624
	Goods in process	633,419	1,993,722
	Unfinished goods held for sale	-	1,206
	Finished goods	4,708,052	3,893,080
		6,750,520	7,313,274
10.1	These include items costing Rs.41.999 million (2025: Rs.78.767 million) valued at net realizable value of Rs.31.113 million (2025: Rs.60.889 million).		

		Note	(Rupees in Thousand)	
			2026	2025
11	TRADE DEBTS			
	Considered good			
	Secured			
	Local		474,003	-
	Secured - Export	11.1 & 11.2	62,879	60,777
		11.3	536,882	60,777
	Unsecured - local	11.4	3,089,225	4,602,034
			3,626,107	4,662,811
	Allowance for ECL - local			
	Unsecured - local		264,682	216,581
	Allowance for ECL - local	11.5	(264,682)	(216,581)
			-	-
			3,626,107	4,662,811
11.1	These represent balances of US\$ 0.226 million (2025: US\$ 0.214 million).			
11.2	These include Rs.62.879 million (2025: Rs.60.390 million) due from a related party Messrs. G-Pac Corporation and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.181.990 million (2025: Rs.170.030 million).			
11.3	These are secured against letters of credit issued by banks in favour of the Company.			
11.4	These includes related parties balances are as follows:			
a)	Rs.139.680 million (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 year was Rs.1,816.054 million (2025: Rs.940.978 million).			
b)	Rs.173.457 million (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 year was Rs.329.555 million (2025: Rs.312.023 million).			
	Not past due		12,640	13,870
	Past due 1-30 days		25,344	15,036
	Past due 31-90 days		37,747	27,251
	Past due 91-180 days		35,281	44,657
	Past due 180 days		62,445	193,253
			173,457	294,067
11.5	Allowance for ECL - local			
	Balance as at start of the year		216,581	170,820
	Charge for the year		130,986	134,351
	Reversals since recovered		(82,885)	(88,590)
	Charge for the year - net	34	48,101	45,761
	Balance as at end of the year		264,682	216,581
12	LOANS AND ADVANCES - Considered good			
	Secured			
	Advances to employees	12.1	3,098	3,506
	Unsecured			
	Advances:			
	to suppliers and contractors	12.2	282,663	564,562
	for imports		6,785	4,831
			289,448	569,393
			292,546	572,899
12.1	These represent advances against monthly salary under the terms of employment.			
12.2	These include advances against purchase of vehicles Rs.3.743 million (2025: Rs.5.665 million).			

		(Rupees in Thousand)	
		2026	2025
13	CURRENT PORTION OF LONG TERM LOANS		
	Current portion of long term loan to subsidiary company	7	196,999
	Loan recoverable in twelve months from employees	7	23,376
		220,375	18,874
14	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
	Margins held by banks	14.1	-
	Security deposits		8,265
	Prepayments		300
		928	797
		1,128	9,362
14.1	This represents margin held by bank against Letters of Credit.		
15	OTHER RECEIVABLES - Considered good		
	Receivable from suppliers	15.1	58,820
	Claims receivable from suppliers		118,401
	Sales tax		5,648
	Partial alleged sales tax demand paid	29.1.4, 29.1.14 & 29.1.16	150,378
	Partial alleged income tax demand paid		99,111
	Others	15.2	30,472
			-
			43,169
			10,332
		255,281	309,016
15.1	These includes balances receivable:		
a)	Rs.16.144 million (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 year end. The maximum aggregate amount due at any month end during the year was Rs.77.323 million (2025: Rs.24.918 million).		
b)	Balances receivable in foreign currency of US\$ 0.134 million & Euro:0.017 million (2025: US\$ 0.357 million & Euro:0.017 million).		
15.2	These includes related parties balances are as follows:		
a)	Rs.4.125 million (2025: Rs.5.245 million) receivable from a subsidiary company Messrs. Gatro Power (Private) Limited, mainly on account of plant operation arrangement and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.9.245 million (2025: Rs.8.260 million).		
b)	Rs.0.500 million (2025: Rs.3.000 million) receivable from a subsidiary company Messrs. G-Pac Energy (Private) Limited on account of plant operation charges and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.3.500 million (2025: Rs.3.000 million).		
c)	Rs.0.796 million (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 year end. The maximum aggregate amount due at any month end during the year was Rs.1.981 million (2025: Rs.2.459 million).		
d)	Rs.0.725 million (2025: Rs.0.116 million) receivable from a related party Messrs. Nova Mobility (Private) Limited and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.0.945 million (2025: Rs.0.150 million).		
16	SHORT TERM INVESTMENT		
	Term deposit receipt -Shariah compliant	16.1	350,000
16.1	This represent term deposit receipt which carry profit ranges 9.8% to 10% p.a . The investment has maturity of upto one month. This is lien marked against bank guarantee of Rs.350 million (2025: nil) provided to Messrs. Sui Southern Gas Company Limited.		
17	CASH AND BANK BALANCES		
	Cash in hand		1,093
	Cash at banks		2,675
	In current accounts : Local currency		82,899
	In saving accounts : Local currency	17.1	787
	In current accounts : Foreign currency	17.2	24,426
			108,112
			109,205
			117,266
			119,941

17.1 These include security deposits received from contractors Rs.0.680 million (2025 Rs.1.605 million) refer note 23.5. These carries profit ranging from 4.50% to 7.10%.

17.2 These represent balances of US\$ 87,131.37 and Euro € 629.98 (2025: US\$ 129,252.57 and Euro € 629.98).

18 SHARE CAPITAL

	(Number of Shares)		Note	(Rupees in Thousand)	
	2026	2025		2026	2025
18.1 Authorized capital					
	130,000,000	130,000,000	Ordinary shares of Rs.10 each	1,300,000	1,300,000
18.2 Issued, subscribed and paid up capital					
	62,136,080	62,136,080	Ordinary shares of Rs.10 each allotted for consideration paid in cash	621,361	621,361
	46,592,880	46,592,880	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	465,929	465,929
	<u>108,728,960</u>	<u>108,728,960</u>		<u>1,087,290</u>	<u>1,087,290</u>

18.2.1 These include 3,240,774 (2025: 3,240,774) shares held by a related party, Messrs. Ghani & Tayub (Private) Limited, Nil (2025: 31,895,139) shares held by associated companies Messrs. Novatex Limited and 31,895,139 (2025: Nil) shares held by Messrs. Nova Frontiers Limited.

19 RESERVES

These includes Capital Reserves as follows:

Share premium	19.1	5,656,603	5,656,603
Capital expenditure and balancing, modernization & replacement (BMR)	19.2	6,000,000	6,000,000
		<u>11,656,603</u>	<u>11,656,603</u>

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

19.2 The Board of Directors of the 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.

20 LONG TERM FINANCING - Secured

Under Shariah compliant

Meezan Bank Limited	20.1	1,260,538	1,568,687
Dubai Islamic Bank Pakistan Limited	20.2	38,309	46,608
United Bank Limited	20.3	1,270,553	1,422,957
Bank Al-Falah Limited	20.4	682,640	792,860
Meezan Bank Limited	20.5	925,735	1,137,056
Habib Metropolitan Bank Limited	20.6	70,317	78,684
Faysal Bank Limited	20.7	132,290	154,207
Faysal Bank Limited	20.8	838,188	981,001
Habib Bank Limited	20.9	2,036,104	2,222,623
Bank Al-Habib Limited	20.10	105,480	116,188
First Habib Modaraba	20.11	236,790	333,630
Soneri Bank Limited	20.12	28,186	31,852
Bank Al-Habib Limited	20.13	80,000	90,000
MCB Islamic Bank Limited	20.14	242,643	140,477
Bank Al-Habib Limited	20.15	681,320	-
		<u>8,629,093</u>	<u>9,116,830</u>
		<u>(1,575,139)</u>	<u>(1,488,520)</u>
		<u>7,053,954</u>	<u>7,628,310</u>

Current maturity shown under current liabilities

20.1 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.2,465.193 million (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.

		(Rupees in Thousand)	
		2026	2025
	Balance as at start of the year	1,568,687	1,876,836
	Repayments during the year	(308,149)	(308,149)
	Balance as at end of the year	1,260,538	1,568,687
20.2	This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.88.204 million (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 year	46,608	54,815
	Repayments during the year	(8,299)	(8,207)
	Balance as at end of the year	38,309	46,608
20.3	This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.2,200 million (2025: Rs.2,200 million) having present value of Rs.1,270.553 million (2025: Rs.1,422.957 million) obtained during February 2021 to October 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during February 2031 to October 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1.25% bank profit. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.		
	Balance as at start of the year	1,422,957	1,353,117
	Amortization of government scheme	122,596	129,360
	Repayments during the year	(275,000)	(59,520)
	Balance as at end of the year	1,270,553	1,422,957
20.4	This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.1,000 million (2025: Rs.1,000 million) having present value of Rs.682.640 million (2025: Rs.792.860 million) obtained during April 2021 to September 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during April 2031 to September 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1% bank profit. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.		
	Balance as at start of the year	792,860	894,258
	Amortization of government scheme	14,780	16,140
	Repayments during the year	(125,000)	(117,538)
	Balance as at end of the year	682,640	792,860
20.5	This represents Diminishing Musharakah amounting to Rs.1,554.482 million (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 year	1,137,056	1,348,376
	Repayments during the year	(211,321)	(211,320)
	Balance as at end of the year	925,735	1,137,056
20.6	This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.119.904 million (2025: Rs.119.904 million) having present value of Rs.70.317 million (2025: Rs.78.684 million) obtained during July 2021 to March 2023 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during July 2031 to March 2033 on their respective maturities. The applicable rate of profit is relevant SBP rate+1% bank profit. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.		
	Balance as at start of the year	78,684	80,006
	Amortization of government scheme	6,621	6,849
	Repayments during the year	(14,988)	(8,171)
	Balance as at end of the year	70,317	78,684
20.7	This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.217.113 million (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).		

		(Rupees in Thousand)	
		2026	2025
	Balance as at start of the year	154,207	178,018
	Repayments during the year	(21,917)	(23,811)
	Balance as at end of the year	132,290	154,207
20.8	This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.1,142.508 million (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 year	981,001	1,123,815
	Repayments during the year	(142,813)	(142,814)
	Balance as at end of the year	838,188	981,001
20.9	This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.2,255.522 million (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.		
	Balance as at start of the year	2,222,623	2,116,194
	Obtained during the year	-	139,328
	Repayments during the year	(186,519)	(32,899)
	Balance as at end of the year	2,036,104	2,222,623
20.10	This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.200 million (2025: Rs.200 million) having present value of Rs.105.480 million (2025: Rs.116.188 million) obtained during August 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during August 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1% bank profit. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.		
	Balance as at start of the year	116,188	120,031
	Amortization of government scheme	14,292	14,907
	Repayments during the year	(25,000)	(18,750)
	Balance as at end of the year	105,480	116,188
20.11	This represents Diminishing Musharakah amounting to Rs.457.200 million (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 year	333,630	430,470
	Repayments during the year	(96,840)	(96,840)
	Balance as at end of the year	236,790	333,630
20.12	This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.33.528 million (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 year	31,852	27,280
	Loan obtained during the year	-	6,248
	Repayments during the year	(3,666)	(1,676)
	Balance as at end of the year	28,186	31,852
20.13	This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.100 million (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).		

		(Rupees in Thousand)	
		2026	2025
	Balance as at start of the year	90,000	100,000
	Repayments during the year	(10,000)	(10,000)
	Balance as at end of the year	80,000	90,000
20.14	This represents Diminishing Musharakah amounting to Rs.242.643 million (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.		
	Balance as at start of the year	140,477	-
	Loan obtained during the year	102,166	140,477
	Balance as at end of the year	242,643	140,477
20.15	This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.681.320 million (2025: Rs.Nil) obtained during June 2026 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal quarterly installments, commencing after a grace period of one year and expiring in June 2031 on their respective maturities. The applicable rate of return is 3% less SBP policy rate (the Exim Rate). These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.		
	Loan obtained during the year	681,320	-
	Balance as at end of the year	681,320	-
21	LEASE LIABILITY AGAINST RIGHT OF USE ASSETS		
	Balance as at start of the year	94,988	122,769
	Effect of lease modification during the year	(13,465)	(7,479)
	Accretion of interest	11,479	14,366
	Payment of lease liabilities	(31,061)	(34,668)
		61,941	94,988
	Current maturity shown under current liabilities	(25,419)	(23,322)
	Balance as at end of the year	36,522	71,666

Lease liabilities are payable as follows:

Within one year	33,268	25,419
Later than one year and not later than five years	39,699	36,522
Total minimum lease payments	72,967	61,941
Less: Financial charges allocated to future periods	(11,026)	-
Present value of minimum lease payments	61,941	61,941
Less: Current portion of lease liabilities	(25,419)	(25,419)
	36,522	36,522

(Rupees in Thousand)			
2026		2025	
Minimum Lease Payments	Present Value of Lease Payments	Minimum Lease Payments	Present Value of Lease Payments
33,268	25,419	36,994	23,322
39,699	36,522	85,740	71,666
72,967	61,941	122,734	94,988
(11,026)	-	(27,746)	-
61,941	61,941	94,988	94,988
(25,419)	(25,419)	(23,322)	(23,322)
36,522	36,522	71,666	71,666

		(Rupees in Thousand)	
		2026	2025
22	DEFERRED LIABILITIES AND INCOME		
	Deferred Liabilities		
	Deferred tax - net	22.1	-
	Defined benefit plan	22.2	669,903
	Provision for Gas Infrastructure Development Cess (GIDC)	22.3	-
	Provision for Sindh Development & Maintenance of Infrastructure Cess (SDMIC)	22.4	-
	Deferred income		
	Deferred Income - Government scheme	22.5	555,583
		1,491,329	1,225,486

	Note	(Rupees in Thousand)	
		2026	2025
22.1	This comprises of the following major timing differences:		
	Taxable temporary difference arising due to:		
	tax depreciation allowances	1,581,095	1,550,630
	right of use asset	17,963	27,547
	Deductible temporary difference arising due to:		
	Impairment allowance for ECL	(76,758)	(62,808)
	Impairment allowance for slow moving stores, spare parts and loose tools	(40,290)	(38,006)
	Tax losses adjustable against future tax liability	(1,482,010)	(1,477,363)
		-	-

At the reporting date, deferred tax asset amounting to Rs.1,583.254 million (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 Company can utilize the deferred tax asset.

22.2 Actuarial valuation of the plan was carried out as at June 30, 2026. The calculation for provision of defined benefit plan is as under:

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

Balance as at start of the year		669,903	624,077
Charge for the year	22.2.1	131,141	143,848
Remeasurement gain		(46,981)	(56,549)
Payments during the year		(69,350)	(41,473)
Balance as at end of the year		684,713	669,903
22.2.1 Charge for the year			
Current service cost		53,471	59,381
Markup cost		77,670	84,467
		131,141	143,848
Allocation are as follows:			
Cost of sales	31.1	69,865	73,614
Distribution and selling costs	32.1	5,716	6,029
Administrative expenses	33.1	55,560	64,205
		131,141	143,848
The principal actuarial assumptions used were as follows:			
Discount rate		12.25%	12.50%
Future salary increase rate		12.25%	12.50%
Withdrawal Rate		Moderate	Moderate
Mortality		Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005

Sensitivity Analysis

	2026		2025	
	PVDBO (Rupees in Thousand)	Percentage Change	PVDBO (Rupees in Thousand)	Percentage Change
Current Liability	684,713	-	669,903	-
+ 1% Discount Rate	654,185	(4.46%)	640,035	(4.46%)
- 1% Discount Rate	720,122	5.17%	704,546	5.17%
+ 1% Salary Increase Rate	723,149	5.61%	707,508	5.61%
- 1% Salary Increase Rate	651,152	(4.90%)	637,068	(4.90%)
+ 10% Withdrawal Rates	683,307	(0.21%)	668,528	(0.21%)
- 10% Withdrawal Rates	686,180	0.21%	671,338	0.21%
1 Year Mortality age set back	684,733	0.00%	669,923	0.00%
1 Year Mortality age set forward	694,693	(0.00%)	669,883	(0.00%)

Maturity profile

Year 1
Year 2
Year 3
Year 4
Year 5
Year 6 to 10
Year 11 and above

(Rupees in Thousand)	
2026	2025
Undiscounted payments	
194,653	205,274
24,740	26,090
13,750	14,500
36,440	38,428
30,753	32,431
123,001	129,712
442,304	466,438

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.

22.3 Provision for Gas Infrastructure Development Cess

Balance at start of the year

Remeasurement gain on discounting of provision for GIDC

Un-winding of long term provision for GIDC

Current portion of Gas Infrastructure Development Cess

Note

(Rupees in Thousand)	
2026	2025
86,858	86,834
-	(1,173)
-	1,197
86,858	86,858
(86,858)	(86,858)
-	-

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

As per judgement of the Honorable Supreme Court of Pakistan, the Company has filed a Civil Suit before the Sindh High Court against payment of GIDC installments on the ground that the Company has not passed on the burden of Cess. The Honorable Court has granted stay order to Plaintiffs whereby the Messrs. Sui Southern Gas Company Limited has been restrained to take any coercive action against non payment of GIDC installments. The Company has recorded the provision at its present value by discounting the future cash flows at risk free rate.

22.4 Provision for Sindh Development & Maintenance of Infrastructure Cess (SDMIC)

Transferred from Trade and other payables - Provisions

Payment made during the year

Remeasurement gain on discounting of provision for SDMIC

Un-winding of long term provision for SDMIC

Current portion of Sindh Development & Maintenance of Infrastructure Cess

23.6.3

35

36

27

1,030,939	-
(154,641)	-
(344,013)	-
17,199	-
549,484	-
(154,641)	-
394,843	-

The Company, subject to Sindh Development and maintenance of Infrastructure Cess (SDMIC) on imported goods. During the year, pursuant to the Sindh Development and maintenance of Infrastructure Cess (Amendment) Act, 2026, the Company, entered into Settlement Agreement with the Government of Sindh for settlement of the outstanding SDMIC obligations.

Under the Settlement Agreement, the Company, opted to settle the outstanding liability through installments in accordance with the agreed payment plan and issued post-dated cheques as required thereunder. Accordingly, the liability has been measured at the present value of future payments, discounted using an effective rate of 11.52% per annum.

The present value of the liability as per their respective agreement date amount to PKR 686.926 million. The resulting gain arising on initial recognition of the discounted liability amounted to PKR 344.013 million has been recognised in other income (Note 35).

22.5 Deferred Income - Government scheme

This represents the value of benefit of below-market markup rate on the loans obtained under Islamic Temporary Economic Refinance Scheme (ITERF) disclosed in note 20.3, 20.4, 20.6 & 20.10 to these un-consolidated financial statements. ITERF scheme is a 'temporary' relief measure taken by the State Bank of Pakistan (SBP) in context of COVID-19 related economic situation and with the objective to provide stimulus to the economy across the board by supporting new investment and BMR of the existing projects in the country. The difference between the fair value of these loans and proceeds received is recorded as Deferred income - Government scheme and the reconciliation of carrying amount is as follows:

	Note	(Rupees in Thousand)	
		2026	2025
Opening balance		716,751	884,007
Amortization of government scheme		(158,289)	(167,256)
		558,462	716,751
Current portion of government scheme	27	(146,689)	(161,168)
		411,773	555,583
23 TRADE AND OTHER PAYABLES			
Trade creditors	23.1	1,575,023	1,191,397
Bills payable	23.2	388,340	995,241
Accrued expenses	23.3	646,859	423,879
Advance payments from customers	23.4	782,317	595,519
Security deposits from contractors	23.5	680	1,605
Provisions - various	23.6	347,672	1,202,755
Withholding taxes		15,907	24,914
Payable to Provident Fund Trusts		1,374	1,345
Other liabilities	23.7	106,385	113,957
		3,864,557	4,550,612

23.1 These includes related parties balances are as follows:

a) Rs.311.307 million (2025: Rs.38.425 million) payable to a related party Messrs. Novatex Limited.

b) Rs.654.753 million (2025: Rs.643.305 million) payable to a related party Messrs. Lotte Chemical Pakistan Limited.

23.2 These include balances payable in foreign currency of US\$ 1.394 million (2025: US\$ 3.454 million and Euro:0.042 million).

23.3 These includes related parties balances are as follows:

a) Rs.129.277 million (2025: Rs.11.299 million) payable to a subsidiary company Messrs. Gatro Power (Private) Limited on account of purchase of power.

b) Rs.126.321 million (2025: Rs.140.086 million) payable to a subsidiary company Messrs. G-Pac Energy (Private) Limited on account of purchase of power.

c) Rs.1.632 million (2025: Rs.6.689 million) payable to a related party Messrs. Novatex Limited on account of reimbursement of expenses.

d) Rs.Nil (2025: Rs.0.102 million) payable to a related party Messrs. G-Pac Corporation on account of reimbursement of expenses.

e) Rs.0.803 million (2025: Rs.0.676 million) payable to a related party Messrs. Mustaqim Dyeing & Printing Ind (Private) Limited.

23.4 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.

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

23.6 Provisions for:

Enhanced gas rate	23.6.1 & 23.6.2	56,171	56,171
Infrastructure Cess on imports	23.6.3	-	855,083
Sales tax	23.6.4	284,715	284,715
Others	23.6.5	6,786	6,786
		347,672	1,202,755

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

23.6.2 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 Company with effect from September 2013. On December 21, 2015, the Company alongwith several other companies filed suit in the Honorable Sindh High Court against OGRA, SSGCL and others challenging the charging of captive power tariff instead of industrial tariff. The Honorable Sindh High Court has granted interim relief, whereby recovery of captive power rate has been restrained. Meanwhile, OGRA had issued another notification dated December 30, 2016 overriding the previous notification and SSGCL billed @ Rs.600 per MMBTU. However, on January 19, 2017, the Company alongwith others filed a suit in the Honorable Sindh High Court against OGRA, SSGCL and others. The Honorable Sindh High Court granted interim relief and instructed SSGCL to revise bills at previous rate against securing the differential amount with the Nazir of the Court. Accordingly, the Company has provided bankers' verified cheque to Nazir of High Court (refer note 23.6.1). As an abundant precaution, the Company has made provision of Rs.15.977 million (2025: Rs.15.977 million) pertaining to the period of November 2015 to September 2018 and did not create receivable of Rs.13.629 million in respect of period from August 2013 to October 2015. On October 04, 2018, OGRA has issued another notification to increase gas tariff with effect from September 27, 2018 for different categories and the Company is paying full amount of the gas bills as per this notification. In February, 2020, the Single Bench of Honorable Sindh High Court has decided the case in favor of Petitioners. SSGCL has filed appeal HCA. 183/2020 in October 2020 before the Divisional Bench of Honorable Sindh High Court against the decision and is pending for adjudication.

23.6.3 Movement is as under:

Balance as at start of the year
Provision made during the year
Transferred to non-current liabilities
Balance as at end of the year

Note

22.4

(Rupees in Thousand)	
2026	2025
855,083	692,719
175,856	162,364
(1,030,939)	-
-	855,083

The Company had filed a petition in the Honorable Sindh High Court at Karachi on May 25, 2011 against Province of Sindh and Excise and Taxation Department, challenging the levy of Infrastructure Cess on imports. Through an interim order dated May 31, 2011, the Honorable Sindh High Court ordered to pay 50% in cash of this liability effective from December 28, 2006 and to submit bank guarantee for the rest of 50% until the final order is passed. In April 2017, the Government of Sindh has promulgated the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. On October 23, 2017, the Company has also challenged the new Act in the Honorable Sindh High Court against Province of Sindh and Excise and Taxation Department and similar stay has been granted by the Honorable Sindh High Court. On June 04, 2021, the Honorable Sindh High Court has passed the judgment in favor of the Government. The Company has filed an appeal bearing CP. No. 4515/2021 in Honorable Supreme Court of Pakistan against the judgment. The Honorable Supreme Court of Pakistan, vide interim order dated September 01, 2021, has suspended the operation of the impugned judgement of the Honorable Sindh High Court and has further directed the Custom Authorities to release consignments on the basis of bank guarantee equivalent to the amount of levy claimed by the Excise and Taxation Department. The Company has provided bank guarantee amounting to Rs.Nil (2025: Rs.878.365 million) in favor of Excise and Taxation Department, in respect of consignments cleared after December 27, 2006 (refer note 29.2). Full provision after December 27, 2006 has been made in these un-consolidated financial statements as an abundant precaution. The Sindh Development and Maintenance of Infrastructure (Amendment) Act, 2026 has been promulgated, pursuant to which the Company entered into a Settlement Agreement with the Excise & Taxation Department in April 2026. In terms of the settlement, the Company has filed an application for withdrawal of its appeal pending before the Federal Constitutional Court of Pakistan (FCCP). Furthermore, the CESS rate has been reduced to 0.85%, and the outstanding liability is to be settled by payment of 15% upfront through pay order, with the remaining balance to be discharged through post-dated cheques in accordance with an agreed schedule of up to 50 instalments.

23.6.4 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 Company had challenged the disallowance of input tax adjustment on packing material in the Honorable Sindh High Court against Federation of Pakistan and others. The Honorable Sindh High Court has decided the matter in favor of Tax Department, against which the Company has filed an appeal before the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan has maintained the Honorable Sindh High Court decision. Total amount of demand raised by the tax department is Rs.16.757 million, against which appeal has been filed before CIR(A) which has also been decided against the Company, however, due to certain apparent mistakes in order, rectification application has been filed, which is pending.

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

23.7 These include Rs.64.871 million (2025: Rs.67.788 million) received from employees under Company car policy.

24 UNPAID DIVIDEND

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

	Note	(Rupees in Thousand)	
		2026	2025
25 ACCRUED MARK UP/PROFIT			
Profit on long term financing		388,773	320,767
Mark up/profit on short term borrowings		99,816	159,336
		488,589	480,103
26 SHORT TERM BORROWINGS - Secured			
From banking companies under mark up/profit arrangements			
Running finance - Under Conventional		116,064	763,716
- Under Shariah compliant		4,562,805	5,838,058
		4,678,869	6,601,774
Short term finance - Under Shariah compliant		449,982	157,434
Loan under EXIM Bank financing - Murahaba	26.2	790,415	-
Export re-finance - Under Shariah compliant		150,000	150,000
	26.1	6,069,266	6,909,208
26.1	The Company has aggregate facilities of short term borrowings amounting to Rs.14,580 million (2025: Rs.13,594 million) from various commercial banks (as listed in Note 26.4) out of which Rs.8,511 million (2025: Rs.6,685 million) remained unutilized at the year end. The mark up/profit rates during the year for running finance and Musharakah ranges between 10.79% to 12.53%, for short term finance 11.08% to 12.49%, for Loan under EXIM Bank financing 8.50% and for export refinance 4.50% to 8.00% per annum. These facilities are renewable annually at respective maturities.		
26.2	This represents balances payable in foreign currency of US\$ 2.838 million (2025: US\$ Nil).		
26.3	These arrangements are secured against pari passu hypothecation charge on the stock and book debts of the Company.		
26.4	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.		
27 CURRENT PORTION OF DEFERRED LIABILITIES AND INCOME			
Gas Infrastructure Development Cess	22.3	86,858	86,858
Sindh Development & Maintenance of Infrastructure Cess (SDMIC)	22.4	154,641	-
Deferred Income - Government scheme	22.5	146,689	161,168
		388,188	248,026

28 PROVISION FOR LEVIES AND INCOME TAX LESS PAYMENTS

Balance as at start of the year

Provision - Current

- Prior

Payments

Adjustment of income tax refund against tax liability

Adjustment of group taxation

Balance as at end of the year

(Rupees in Thousand)

2026

2025

267,381

206,584

375,818

328,009

-

2,396

375,818

330,405

643,199

536,989

(391,882)

(326,827)

(43,169)

59,194

(5,633)

(1,975)

(440,684)

(269,608)

202,515

267,381

29 CONTINGENCIES AND COMMITMENTS**29.1 Contingencies**

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

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

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

Furthermore, the Honorable Special Judge (Customs, Taxation & Anti-Smuggling), Karachi has also directed vide its order dated August 17, 2026 to release the security amount/cheques deposited by the Company and process the same in accordance with the law along with the posted dated cheques submitted by the Company.

- 29.1.2** In May 2015, the Parliament passed the Gas Infrastructure Development Cess (GIDC) Act 2015, which seeks to impose GIDC levy since 2011. On July 16, 2015, the Company alongwith several other companies filed suit in the Honorable Sindh High Court against OGRA and others challenging the validity and promulgation of GIDC Act 2015. The Single Bench of Honorable Sindh High Court had decided the case in favor of Petitioners. However, in May 2020, Defendants have filed appeal before the Divisional Bench of Honorable Sindh High Court. On August 13, 2020, the Honorable Supreme Court of Pakistan finally in the appeals filed by industries of Khyber Pakhtunkhwa, passed a judgment in favor of Government declaring the GIDC Act 2015 intra vires and directed all the Petitioners/Appellants (including industries of all over Pakistan) for payment of Cess liability accrued till July 31, 2020 in 24 equal monthly installments. The Company has filed Review Petition against the Judgment, wherein the Honorable Supreme Court of Pakistan has provided some relief by increasing the time period for recovery of GIDC from 24 installments to 48 installments and also hold that GIDC relating to period prior to the GIDC Act, 2015 is not recoverable in case the same was not passed on by the Company. As per the judgement of Honorable Supreme Court of Pakistan, the Company has filed a Civil Suit No.1369/2020 dt:01-10-2020 before the Honorable Sindh High Court against payment of GIDC instalments on the ground that the Company has not passed on the burden of Cess. The Honorable Sindh High Court has granted stay order to Plaintiffs whereby the Messrs. Sui Southern Gas Company Limited has been restrained to take any coercive action against non payment of GIDC installments.

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

- 29.1.3** The Company along with several other companies has filed a Constitution Petition no. CP 2085/2016 dated April 13, 2016 in the Honorable Sindh High Court against Employment Old Age Benefits Institution (EOBI) and others against a notice issued by the EOBI to the Company to pay contribution at the revised rate of wages with retrospective effect. The Honorable Sindh High Court has restrained EOBI from taking any coercive action against the Company. On December 03, 2021, the Honorable Sindh High Court has dismissed the Petition. However, the Company has filed an appeal at Honorable Supreme Court of Pakistan against the judgment. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.

- 29.1.4** The Company filed four appeals on 2nd, 9th, 17th May and 20th June 2018 before the Commissioner Inland Revenue (Appeals) (CIR(A)) – 2, Large Taxpayers Unit, Karachi for the tax periods July 2012 to December 31, 2016 against the assessment orders by the Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, passed under section 11 (2) of the Sales Tax Act, 1990 through which cumulative demand for the aforesaid periods amounting to Rs.55.423 million excluding default surcharge was created. In the assessment orders, major areas on which impugned demand has been raised relates to disallowance of input tax on purchases and recovery of sales tax on sales to subsequently suspended / blacklisted persons. The Company has already deposited Rs.28 million under protest into the Government Treasury for stay against the full recovery (refer note 15). The CIR(A) has issued judgment in respect of impugned order for tax periods July 2012 to June 2013 wherein the entire order of the Tax Officer has been held as illegal and unconstitutional. However, the Tax Department has been filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). The CIR(A) has decided the matter for tax periods July 2013 to June 2014, July 2014 to June 2015 and July 2015 to December 2016 wherein the case has been partially decided in favor for the Company. However, the Company has filed appeals dated:30-03-2022, 07-04-2020 & 18-08-2020 before the ATIR against orders passed by CIR(A). No provision has been made in these un-consolidated financial statements as the Company is confident that the matter will be decided in favor by the appellate authorities.
- 29.1.5** Tax Department issued order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2012 wherein income tax demand of Rs.37.773 million was raised on various issues. Out of the total amount, the Company paid Rs.3.777 million under protest. Appeal was filed before the CIR(A) and the CIR(A) had decided the case partially in favor of the Company whereas major issues were decided in favor of the Tax Department. Based on the judgment of the CIR(A), the revised demand comes out to Rs.28.2 million. The Company filed an appeal before the ATIR appeal no. ITA No.1452/KB/2018 dated 12-Oct-2018 against the order of the CIR(A) and the learned ATIR, vide its judgment dated January 01, 2019 has decided the case in favor of the Company. As of now, the Tax Department has not yet filed appeal against the said judgment of ATIR.
- 29.1.6** Tax Department issued order under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2015 wherein income tax demand of Rs.25.888 million was raised on various issues. Out of the total amount, the Company paid Rs.2.589 million under protest. Appeal was filed before the CIR(A) and the CIR(A) has decided partially in favor of the Company. Appeal effect in line with CIR(A) order has been issued by the Tax Department wherein an amount of Rs.3.791 million determined as refundable to the Company out of which Rs.1.594 million has been adjusted with the income tax demand pertaining to tax year 2019. Appeal dated 30-May-2019 has been filed by the Company as well as the Tax Department before ATIR, however, no hearing has been conducted till date. Based on the merits of the case and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Company, hence Rs.2.197 million recorded as refundable.
- 29.1.7** The Tax Officer alleged the Company for charging sales tax at reduced rate instead of standard rate of 17% during the tax periods from July 2014 to June 2015 and raised the demand of Rs.1.741 million along with penalty of Rs.0.087 million. The Company has filed an appeal before CIR(A) against order of the Tax Department on the ground that reduced rate was applicable to customers as those customers were active and operative at the time of execution of sales transaction. Moreover, the Tax Department has adjusted the impugned demand with sales tax refunds available with the Company. Appeal was decided in favor of the Company. Tax Department has issued an appeal effect order in line with aforementioned CIR(A) order resulting in refund of Rs.1.828 million for which refund application has been filed. Tax Department has filed an appeal before ATIR dated 28-Oct-2019 against CIR(A) order. Based on the merits of the case and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Company. No provision has been made in these un-consolidated financial statements.
- 29.1.8** The case of the Company was selected for income tax audit for tax year 2013. The return was amended under section 122(1)/(5) of the Income Tax Ordinance, 2001, however, no income tax demand was raised owing to taxable losses both before and after amendment of the income tax return. Subsequently, the Tax Department again initiated proceedings for further amendment of the already amended income tax return and raised demand of Rs.1.178 million. Demand has been raised mainly because of figurative errors committed by the Additional Commissioner Inland Revenue (ADCIR) against which the Company has moved rectification application and in response thereto rectified order was issued. Moreover, the Company has also filed an appeal before CIR(A) to secure its interest in case rectification application is rejected by the concerned Tax Officer. CIR(A) has decided the matter partially in favor of the Company. Considering that the matter decided against the Company has no material impact, therefore, the Company had not filed an appeal before the ATIR. The Tax Department filed an appeal no. ITA No.376/KB/2017 dated 10-04-2017 before the ATIR against order issued by CIR(A), Quetta, which has been decided by ATIR in favour of Company.
- 29.1.9** Income tax return of tax year 2014 was amended by the Deputy Commissioner Inland Revenue, Quetta disallowed expenses of Rs.60.7 million vide order dated June 29, 2016 against which the Company filed an appeal before the CIR(A), who vide order dated January 20, 2017 decided the case partially in favor of the Company and partially in favor of Tax Department. The Tax Department has filed an appeal no. ITA No.377/KB/2017 dated 10-04-2017 before the ATIR which has been decided by ATIR in favour of Company.
- 29.1.10** The Company had filed a petition no. CP No.D-5468 dated August 26, 2019 in Honorable Sindh High Court against 3% Minimum Value Addition Tax on import of machinery, which has been levied through Finance Act, 2019. Stay has been granted by the Honorable Sindh High Court against submission of bank guarantee in favor of Nazir of the Court. Till reporting date, the Company has provided 100% bank guarantee amounting to Rs.15.351 million (2025: Rs.15.351 million), refer note 29.2. Moreover, through Finance Act, 2020 this levy has been withdrawn from manufacturer w.e.f. July 01, 2020.

- 29.1.11** The Company had filed a petition no. CP D-573 dated January 26, 2019 before the Honorable Sindh High Court wherein the Company had challenged the levy and collection of further sales tax on zero rated supplies imposed vide SRO 584(I)/2017 read with section 3(1A) and section 4 of the Sales Tax Act, 1990. The case has been decided by the Honorable Sindh High Court in favor of the Company. The Tax Department has filed an appeal dated Mar 22, 2021 before the Honorable Supreme Court of Pakistan against the judgment of the Honorable Sindh High Court. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company, however, on a prudent basis Rs.40.395 million has been provided in these un-consolidated financial statements.
- 29.1.12** Income tax return for tax year 2019 has been amended by the DCIR vide order dated June 29, 2020 creating tax demand of Rs.1.594 million while abolishing refund of Rs.35.819 million as claimed in ITR 2019 against which the Company filed an appeal before the CIR(A), which has been partially decided in favour of the Company resulting in net tax refundable of Rs.4 million, appeal effect order is not yet issued by the Tax Department. The Company as well as Tax Department have filed appeals before the ATIR dated January 13, 2022, which is pending till date. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.
- 29.1.13** Through Finance Act, 2019, section 65B of the Income Tax Ordinance, 2001 was amended to disallow credit on investment in plant & machinery from tax year 2020 and onwards. Consequently, the tax credit in respect of LCs opened on or before 30th June 2019 was also disallowed amounting to Rs.105.230 million. The Company has challenged the provision of Finance Act, 2019 before the Honorable Sindh High Court vide C.P. no. D-8506 of 2019, 6582 of 2020 and 7540 of 2022 and the Court has decided the matter in favour of the Company to claim 10% tax credit on investment in plant & machinery on the basis of pre-amended position of section 65B on machinery arrived in tax year 2020 and 2021. The Tax department has challenged the judgement of Honorable Sindh High Court in Honorable Supreme Court of Pakistan through petition no. CPLA 649-K/2023 and CPLA 665-K/2023 for TY 2020 & TY 2021 respectively, which is decided in favour of the Company to the extent of that the machinery purchased and installed both by June 30, 2019, and other than that decided in favour of the Tax Department. The Company has filed review petition before the Honorable Supreme Court of Pakistan in case of tax years 2020 and 2021.
- The ADCIR has passed Assessments Orders for the tax years TY 2020 and TY 2021, raised demand amounting Rs.105.230 million and Rs.94.804 million respectively. The Company has paid/adjusted tax demands against available income tax refunds under protest.
- 29.1.14** The Tax Officer alleged the Company for fake transaction with suspended customer during the tax periods from December 2018 to June 2019 and raised the demand of Rs.1.711 million along with 100% penalty, aggregated demand of Rs.3.421 million. The Company has paid 10% of demand for auto stay from recovery Rs.0.342 million (refer note 15). CIR(A) has decided the case in favour of Company. The Tax Department has filed an appeal before ATIR against the said judgment. No provision has been made in these un-consolidated financial statements.
- 29.1.15** Tax Department issued notices thereby disallowing adjustment of Workers Welfare Fund (WWF) against income tax refund of tax year 2018, 2019 and 2020 amounting Rs.16.216 million, Rs.20.373 and Rs.3.022 million respectively. The Company filed petitions against the said notices before the Honorable Sindh High Court vide C.P. no.D-5247 of 2021, which has been decided in favour of the Company. However, Tax Department has filed an appeal dated January 24, 2022 before the Honorable Supreme Court of Pakistan. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company. However, full liability of WWF has been provided in respective years un-consolidated financial statements.
- 29.1.16** Tax Department has raised demand of Rs.21.294 million on the basis of sales tax audit for the tax periods from July 2017 to June 2018. The Company has filed an appeal before the CIR(A). The Company has paid 10% of demand for auto stay from recovery Rs.2.130 million (refer note 15). The CIR(A) has decided the case partially in favor of the Company and partially in favor of Tax Department. The order contains significant errors for which Company has filed rectification application before CIRA.
- 29.1.17** The Tax Department disallowed expenses of Rs.45.6 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2016. However, no income tax demand was raised owing to taxable losses both before and after amendment of assessment proceedings. The Company has filed an appeal before CIR(A), who vide order dated March 16, 2023 decided the case partially in favor of the Company and partially in favor of Tax Department. The Company as well as Tax Department have filed appeals dated:13-05-2023 before the ATIR, which is pending till date. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.
- 29.1.18** The Tax Department disallowed expenses of Rs.52.021 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2020. However, no income tax demand was raised owing to tax refundable position both before and after amendment of assessment proceedings. The Company has filed an appeal before CIR(A), which has been decided the case partly in favor of the Company vide order dated November 15, 2023. The Company has filed appeal before ATIR, which is pending for hearing.
- 29.1.19** Tax Department has raised demand of Rs.4.684 million by disallowing input sales tax on building material for the tax periods from July 2019 to June 2020. CIR(A) has decided the case in favour of Tax Department. The Company has filed an appeal dated: March 30, 2024 before ATIR against the said order.

In addition to above, certain contingent liabilities do not have material impact on the financial statements and the management is confident that the cases will be decided in favour of the Company.

		(Rupees in Thousand)	
	Note	2026	2025
29.2 Guarantees			
Bank Guarantees in favour of:			
The Director Excise & Taxation, Karachi	23.6.3	-	878,365
The Electric Inspector, President Licencing Board, Quetta		10	10
Pakistan State Oil Company Limited		57,000	41,500
K-Electric Limited		21,675	18,496
Nazir of the High Court of Sindh, Karachi	29.1.10	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		71,078	71,078
Bank Guarantee on behalf of subsidiary company:			
First Habib Modaraba		128,000	-
		677,114	1,024,800
29.3 Commitments			
The Company's commitments, against which the banks have opened Letters of Credit, in favor of different suppliers, are as follows:			
Foreign currency:			
Property, plant and equipment		57,381	399,047
Raw and packing material		119,543	1,051,555
Spare parts and others		31,334	35,626
		208,258	1,486,228
Local currency:			
Property, plant and equipment		-	2,366
Raw material		924,134	-
		924,134	2,366
Post dated cheques issued against settlement of Sindh Development and Maintenance of Infrastructure Cess (SDMIC)		876,298	-
		2,008,690	1,488,594
30 SALES			
Gross local sales		30,892,059	26,438,717
Processing charges		4,212,740	4,123,067
		35,104,799	30,561,784
Less: Sales tax		5,365,349	4,670,300
		29,739,450	25,891,484
Export sales		407,527	436,556
		30,146,977	26,328,040
31 COST OF SALES			
Raw and packing material consumed		17,950,798	15,641,914
Stores, spare parts and loose tools consumed		560,727	758,277
Outsource processing charges		229,801	-
Salaries, wages, allowances and benefits	31.1 & 31.2	1,892,614	2,076,571
Power, fuel and gas		4,971,161	5,694,096
Rent, rates and taxes		4,356	12,579
Insurance		151,037	171,312
Cartage and transportation		253,486	245,065
Repairs and maintenance		70,282	106,866
Communications and Computer		3,172	3,405
Water supply		2,730	18,023
Travelling		5,468	10,228
Sundry expenses		50,663	44,427
Depreciation	4.2	1,796,947	1,505,820
Amortization of intangible asset	5.1	309	-
		27,943,551	26,288,583
Scrap sales	31.3	(51,548)	(202,169)
		27,892,003	26,086,414
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		(633,419)	(1,993,722)
Closing stock of unfinished goods held for sale		-	(1,206)
Cost of goods manufactured		29,253,512	25,516,531
Opening stock of finished goods		3,893,080	3,818,775
Closing stock of finished goods		(4,708,052)	(3,893,080)
		28,438,540	25,442,226

- 31.1** These include Rs.7.872 million (2025 Rs.7.094 million) and Rs.69.865 million (2025: Rs.73.614 million) representing contribution to defined contribution plan by the Company and expenditure on defined benefit plan respectively.
- 31.2** It is net off in respect of amount received from subsidiary companies Messrs. Gatro Power (Private) Limited Rs.48 million (2025: Rs.48 million) and Messrs. G-Pac Energy (Private) Limited Rs.6 million (2025: Rs.3 million) against plant operation arrangement.
- 31.3** Net off sales tax amounting to Rs.11.019 million (2025: Rs.40.730 million).

		(Rupees in Thousand)	
	Note	2026	2025
32 DISTRIBUTION AND SELLING COSTS			
Salaries, wages, allowances and benefits	32.1	75,737	68,330
Insurance		2,928	2,549
Rent, rates and taxes		14,850	17,515
Handling, freight and transportation		187,191	315,708
Advertisement and sales promotion		275	292
Communications		1,064	869
Travelling		1,062	2,225
Legal and professional fee		1,386	-
Sundry expenses		23,053	27,512
Depreciation	4.2	3,607	2,749
Depreciation right of use assets	4.6.1	8,368	8,368
		319,521	446,117
32.1 These include Rs.5.716 million (2025: Rs.6.029 million) representing expenditure on defined benefit plan.			
33 ADMINISTRATIVE EXPENSES			
Salaries, wages, allowances and benefits	33.1	414,311	351,197
Rates and taxes		1,246	3,627
Insurance		7,861	9,197
Repairs and maintenance		8,559	2,971
Travelling		5,571	5,498
Communications		7,949	8,901
Legal and professional fees		5,772	13,535
Utilities		9,351	15,608
Printing and stationery		731	879
Transportation		23,508	21,421
Sundry expenses		8,104	18,709
Depreciation	4.2	8,067	8,231
Depreciation right of use assets	4.6.1	11,783	16,271
Amortization of intangible asset	5.1	10,025	10,025
		522,838	486,070
33.1 These include Rs.55.560 million (2025: Rs.64.205 million) representing expenditure on defined benefit plan.			
34 OTHER EXPENSES			
Impairment allowance for ECL - net	11.5	48,101	45,761
Impairment allowance for slow moving stores, spare parts and loose tools - net	9.1	7,976	15,220
Impairment in long term investments	6.3 & 6.6	69,412	53,871
Exchange loss - net		-	44,321
Auditors' remuneration	34.1	4,408	7,615
		129,897	166,788
34.1 Auditors' remuneration			
Audit fee - annual financial statements		3,600	3,200
Audit fee - special purpose financial statements		-	2,750
Audit fee - Special purpose consolidated financial statements		-	200
Limited review, audit of annual consolidated financial statements and certification fee		460	435
Sindh sales tax on services		-	527
Out of pocket expenses		348	503
		4,408	7,615

			(Rupees in Thousand)	
		Note	2026	2025
35	OTHER INCOME			
	Income from financial assets			
	Profit on deposits		27,112	1,364
	Income from non - financial assets & others			
	Gain on disposal of property, plant and equipment	4.3	26,355	23,758
	Liabilities no more payable written back		28,599	7,369
	Amortization of interest free long term loan to subsidiary company		37,900	49,441
	Amortization of Government Scheme		158,289	24,378
	Exchange gain - net		36,572	-
	Remeasurement gain on discounting of provision for GIDC	22.3	-	1,173
	Remeasurement gain on discounting of provision for SDMIC	22.4	344,013	-
	Miscellaneous income		2,767	4,227
			634,495	110,346
			661,607	111,710
36	FINANCE COST			
	Profit on long term financing		790,621	828,485
	Interest on lease liability against right of use assets		11,479	14,366
	Mark up/profit on short term borrowings		520,313	690,624
	Un-winding of long term provision for GIDC	22.3	-	1,197
	Un-winding of long term provision for SDMIC	22.4	17,199	-
	Bank charges and guarantee commission		7,040	4,595
			1,346,652	1,539,267
37	LEVIES			
	Final Tax - prior year		-	1,833
	Minimum tax		375,818	328,009
		38.1	375,818	329,842
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.				
38	INCOME TAX			
	For the prior year	38.1	-	563
38.1	The Company is subject to Minimum Tax/Levies under section 113 and 154 of the Income Tax Ordinance 2001 for local and export sales. Accordingly, the relationship between tax expense accounting profit has not been presented in these un-consolidated financial statement.			
39	LOSS PER SHARE - Basic and diluted			
	Loss for the year		(324,682)	(1,971,123)
			(Number of Shares)	
	Weighted average number of Ordinary Shares in issue during the year		108,728,960	108,728,960
			(Rupees)	
	Loss per share - Basic and diluted		(2.99)	(18.13)
39.1	There is no dilutive effect on the basic loss per share of the Company.			
40	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	17	109,205	119,941
	Short term borrowings - Running finance	26	(4,678,869)	(6,601,774)
			(4,569,664)	(6,481,833)

		(Rupees in Thousand)	
		2026	2025
41	FINANCIAL INSTRUMENTS		
	Financial assets as per statement of financial position		
	- Measured at amortized cost		
	Loans and advances	247,268	205,052
	Deposits	7,136	15,501
	Trade debts	3,626,107	4,662,811
	Other receivables	68,783	128,733
	Short term investment	350,000	-
	Cash and bank balances	109,205	119,941
		4,408,499	5,132,038
	Financial liabilities as per statement of financial position		
	- Measured at amortized cost		
	Long term financing	8,629,093	9,116,830
	Lease liability against right of use assets	61,941	94,988
	Trade and other payables	2,653,790	2,659,636
	Unclaimed dividend	775	853
	Unpaid dividend	20,801	20,801
	Accrued mark up/profit	488,589	480,103
	Short term borrowings	6,069,266	6,909,208
		17,924,255	19,282,419

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

41.1 MEASUREMENT OF FAIR VALUE

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

- Level 1 Inputs are the quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.
- Level 2 Inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable inputs for the asset or liability.

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

41.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

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

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

41.2.1 Market Risk

A Foreign exchange risk

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

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

Trade creditors
Bills Payable
Loan under EXIM Bank financing - Murahaba

(Rupees in Thousand)	
2026	2025
172,971	179,786
388,340	995,241
790,415	-
1,351,726	1,175,027
(62,879)	(60,777)
(42,676)	(106,956)
(24,426)	(36,865)
(129,981)	(204,598)
1,221,745	970,429
208,258	1,486,228
1,430,003	2,456,657

Trade Debts
Receivable from suppliers
Cash at bank in foreign currency accounts

Commitments - Outstanding letters of credit

Net exposure

The following significant exchange rates have been applied:

Buying

USD to PKR
Euro to PKR

Selling

USD to PKR
Euro to PKR

Rupees			
Average rate		Reporting date rate	
2026	2025	2026	2025
279.86	278.85	278.05	283.60
325.82	303.38	316.92	332.29
280.36	279.35	278.55	284.10
326.40	303.97	317.51	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.

Effect on statement of profit or loss

USD to PKR
Euro to PKR

(Rupees in Thousand)			
Average rate		Reporting date rate	
2026	2025	2026	2025
142,541	236,963	141,621	241,028
1,418	4,234	1,379	4,638
143,959	241,197	143,000	245,666

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

B Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest or currency rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

C Interest / Markup rate risk

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

Financial Assets

Variable rate instruments

Short term investment
Bank balance

Financial Liabilities

Variable rate instruments

Long term financing
Short term borrowings

		(Rupees in Thousand)	
2026	2025	2026	2025
Effective rate (in %)		Carrying amount	
9.80 - 10.00	-	350,000	-
4.50 - 7.10	5.00 - 19.26	787	1,711
10.46 - 22.25	11.73 - 22.25	(4,064,123)	(4,540,597)
4.50 - 12.53	8.40 - 22.52	(6,069,266)	(6,909,208)
		(9,782,602)	(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 June 30, 2026		
Cash flow sensitivity - Variable rate	(97,826)	97,826
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 Company.

Fair value sensitivity analysis for fixed rate instruments

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

41.2.2 Credit risk

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

Exposure to credit risk

The carrying amount of the financial assets represent the maximum credit exposure before any credit enhancements. Out of total financial assets of Rs.4,408.499 million (2025: Rs.5,132.038 million), financial assets of Rs.4,407.406 million (2025: Rs.5,129.363 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)	
	2026	2025
Loans and advances	247,268	205,052
Deposits	7,136	15,501
Trade debts	3,626,107	4,662,811
Other receivables	68,783	128,733
	3,694,890	4,791,544
Short term investment	350,000	-
Bank balances	108,112	117,266
	4,407,406	5,129,363

Loans and advances

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

Deposits

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

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

Not past due	749,625	1,566,580
Past due 1-30 days	1,257,759	1,409,991
Past due 31-90 days	1,028,706	959,941
Past due 91-180 days	321,736	293,325
Past due 180 days	601,746	778,288
	3,959,572	5,008,125
Allowance for ECL - local	(264,682)	(216,581)
	3,694,890	4,791,544

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

Banks	Rating Agency	Rating		(Rupees in Thousand)	
		Short term	Long term	2026	2025
Askari Bank Limited	PACRA	A-1+	AA+	40	45
Bank Al-Falah Limited	PACRA	A-1+	AAA	31,478	22,678
Bank Al-Habib Limited	PACRA	A-1+	AAA	514	4,689
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	1,126	2,480
Faysal Bank Limited	PACRA	A-1+	AA	467	5,156
Habib Bank Limited	VIS	A-1+	AAA	6,392	1,028
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	18,465	43,926
MCB Bank Limited	PACRA	A-1+	AAA	5,939	6,459
MCB Islamic Bank Limited	PACRA	A-1	A+	882	277
Meezan Bank Limited	VIS	A-1+	AAA	37,305	25,044
National Bank of Pakistan	PACRA	A-1+	AAA	3,166	468
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA	1,469	4,403
The Bank of Punjab	PACRA	A-1+	AA+	184	136
United Bank Limited	VIS	A-1+	AAA	685	477
				108,112	117,266

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

41.2.3 Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At June 30, 2026 the Company has Rs.14,580 million available borrowing limit from financial institutions. The Company has unutilized borrowing facilities of Rs.8,511 million in addition to balances at banks of Rs.108 million. Based on the above, management believes the liquidity risk to be insignificant. The following are the contractual maturities of financial liabilities, including interest/mark up payments.

	(Rupees in Thousand)						
	Carrying Amount	Contractual Cash Flow	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
2026							
Long term financing	8,629,093	11,182,132	1,337,910	1,081,846	2,268,271	4,900,994	1,593,111
Lease liability against right of use assets	61,941	72,967	16,467	16,801	35,651	4,048	-
Trade and other payables	2,653,790	2,653,790	2,653,790	-	-	-	-
Unclaimed dividend	775	775	775	-	-	-	-
Unpaid dividend	20,801	20,801	20,801	-	-	-	-
Accrued mark up/profit	488,589	488,589	488,589	-	-	-	-
Short term borrowings	6,069,266	6,243,582	6,243,582	-	-	-	-
	17,924,255	20,662,636	10,761,914	1,098,647	2,303,922	4,905,042	1,593,111
2025							
Long term financing	9,116,830	11,223,530	929,048	1,309,684	3,145,484	5,531,001	308,313
Lease liability against right of use assets	94,988	123,748	18,244	18,649	39,387	47,468	-
Trade and other payables	2,659,636	2,659,636	2,659,636	-	-	-	-
Unclaimed dividend	853	853	853	-	-	-	-
Unpaid dividend	20,801	20,801	20,801	-	-	-	-
Accrued mark up/profit	480,103	480,103	480,103	-	-	-	-
Short term borrowings	6,909,208	7,107,948	7,107,948	-	-	-	-
	19,282,419	21,616,619	11,216,633	1,328,333	3,184,871	5,578,469	308,313

41.3 CAPITAL RISK MANAGEMENT

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

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

The gearing ratio as at June 30, 2026 and June 30, 2025 were as follows:

	(Rupees in Thousand)	
	2026	2025
Total borrowings	14,698,359	16,026,038
Cash and bank balances	(109,205)	(119,941)
Net debt	14,589,154	15,906,097
Total equity	11,094,888	11,372,589
Total capital	25,684,042	27,278,686
Gearing ratio	57%	58%

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

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

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

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

	(Rupees in Thousand)				
	2026				
	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	(1,429,512)	-	-	-	(1,429,512)
Proceeds from long term loan	783,486	-	-	-	783,486
Effect of lease modification during the year	-	-	-	(13,465)	(13,465)
Lease rentals paid	-	-	-	(31,061)	(31,061)
Accretion of interest	-	-	-	11,479	11,479
Dividend paid	-	-	(78)	-	(78)
Total changes from financing activities	(646,026)	-	(78)	(33,047)	(679,151)
Other changes	(68,006)	59,520	-	-	(8,486)
Interest expense	790,621	520,313	-	11,479	1,322,413
Interest paid	(722,615)	(579,833)	-	(11,479)	(1,313,927)
Deferred government grant recognized	158,289	-	-	-	158,289
Changes in short term borrowings	-	(839,942)	-	-	(839,942)
Total loan related other changes	158,289	(839,942)	-	-	(681,653)
Total equity related other changes	-	-	-	-	-
Balance as at June 30, 2026	8,629,093	6,069,266	21,576	61,941	14,781,876
	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

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

42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Particulars	Chief Executive		Directors		Executives		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Managerial remuneration	14,148	14,148	9,036	9,036	558,307	560,722	581,491	583,906
Post employment benefits	6,963	7,874	1,586	1,724	65,808	62,996	74,357	72,594
Other benefits	-	-	-	-	95,781	85,309	95,781	85,309
Reimbursement	-	16	-	13	215	10,140	215	10,169
Total	21,111	22,038	10,622	10,773	720,111	719,167	751,844	751,978
Number of persons for remuneration	1	1	1	1	184	175	186	177

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

42.2 In addition, the Chief Executive and working directors are provided with Company maintained car and certain executives are provided with household furniture and cars under Company policies, the monetary impact where of is not quantifiable.

42.3 During the year, a related party Messrs. Novatex Limited reimbursed Rs.124.285 million (2025: Rs.188.724 million) in respect of shared resources of certain directors and executives.

43 SEGMENT REPORTING

43.1 Reportable segments

The Company's reportable segments are as follows:

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

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

43.2 Segment results:

The segment information for the reportable segments for the year ended June 30, 2026 is as follows:

	(Rupees in Thousand)					
	2026			2025		
	Polyester Filament Yarn	Polyester PET Preforms	Total	Polyester Filament Yarn	Polyester PET Preforms	Total
External sales	24,785,691	5,361,286	30,146,977	23,523,990	2,804,050	26,328,040
Segment result before depreciation	1,362,362	1,312,337	2,674,699	597,703	872,724	1,470,427
Less: Depreciation on property, plant and equipment	(1,712,108)	(96,513)	(1,808,621)	(1,455,235)	(61,565)	(1,516,800)
Segment result after depreciation	(349,746)	1,215,824	866,078	(857,532)	811,159	(46,373)
Reconciliation of segment results with Profit/(loss) before levies and income tax:						
Total results for reportable segments			866,078			(46,373)
Other expenses			(129,897)			(166,788)
Other income			661,607			111,710
Finance cost			(1,346,652)			(1,539,267)
Profit/(loss) before levies and income tax			51,136			(1,640,718)

Assets and liabilities by segments are as follows:

Segment assets	24,068,558	1,246,127	25,314,685	26,751,822	1,174,160	27,925,982
Segment liabilities	10,726,707	331,873	11,058,580	12,717,005	141,751	12,858,756

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

	Assets	Liabilities	Assets	Liabilities
Total for reportable segments	25,314,685	11,058,580	27,925,982	12,858,756
Unallocated	6,997,257	10,158,474	6,360,895	10,055,532
Total as per un-consolidated statement of financial position	32,311,942	21,217,054	34,286,877	22,914,288

Other segment information is as follows:

Depreciation on property, plant and equipment	1,712,108	96,513	1,808,621	1,455,235	61,565	1,516,800
Capital expenditures incurred during the year	527,306	24,345	551,651	198,007	-	198,007
Unallocated capital expenditure incurred during the year			1,111,979			1,045,948
Total			1,663,630			1,243,955

43.3 98.65% (2025: 98.34%) out of total sales of the Company relates to customers in Pakistan.

43.4 All non-current assets of the Company as at June 30, 2026 are located in Pakistan.

43.5 Revenue from major customer individually accounting for more than 10% of the Company's revenue was Rs.5,610.581 million (2025: Rs.4,511.958 million).

44	PLANT CAPACITY AND ACTUAL PRODUCTION	Note	(Metric Tons)	
			2026	2025
	Polyester Filament Yarn	44.1		
	Annual capacity-75 denier		51,044	51,044
	Annual capacity-150 denier		101,324	101,324
	Actual production		47,550	47,424
	Polyester P.E.T. Preforms	44.2		
	Annual capacity-27 gms		31,512	31,512
	Actual production		20,691	18,808
	Knitted Fabrics	44.3		
	Annual capacity		1,636	1,636
	Actual production		806	871

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

44.2 The capacity is determined based on 27 gms production. Actual production represents production of various grammage. The actual production versus annual capacity is lower on account of the Company is lacking the sizes of preforms, which are in demand. The actual production of preforms (various grammage) in pieces was 870.092 million (2025: 739.278 million) against annual capacity (based on 27 gms) of 1,167 million pieces.

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

45 TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand)	
				2026	2025
Gatro Power (Private) Limited	Wholly owned Subsidiary Company	100% ownership	Purchase of power	2,717,432	3,666,769
			Plant operation arrangement	48,000	48,000
			Reimbursement of expenses	51,816	61,076
Global Synthetics Limited	Wholly owned Subsidiary Company	100% ownership	Reimbursement of expenses	2	-
G-Pac Energy (Private) Limited	Wholly owned Subsidiary Company	100% ownership	Purchase of power	692,504	415,604
			Long term loan disbursed	-	25,100
			Repayment of long term loan	-	325,100
			Plant operation arrangement	6,000	3,000
Novatex Limited	Related Party	Common directorship	Sales of goods and other material	2,118,045	1,102,112
			Rendering of services	3,492,763	3,442,098
			Purchase of raw and other material	432,732	1,610,746
			Obtaining of services	212,375	-
			Sale of property, plant & equipment	600	-
			Rent	17,982	22,777
			Reimbursement of expenses	497,456	328,514
G-Pac Corporation	Related Party	Common directorship	Sale of goods	395,295	207,096
			Reimbursement of expenses	-	101
Ghani & Tayub (Private) Limited	Related Party	Common directorship	Rent	8,200	7,800
Mustaqim Dyeing & Printing Ind (Private) Limited	Related Party	Common directorship	Sale of goods	131,773	222,540
			Rendering of services	57,984	37,354
			Purchase of other material	14	-
			Reimbursement of expenses	127	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

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand)	
				2026	2025
Krystosoft (Private) Limited	Related Party	Common directorship	Acquisition of services	-	57
Krystopac Energy (Private) Limited	Related Party	Common directorship	Reimbursement of expenses	250	-
Lotte Chemical Pakistan Limited	Related Party	Common directorship	Purchase of raw material	6,652,623	4,836,279
Krystalite Product (Private) Limited	Related Party	Common directorship	Sales of goods and other material	5	5,001
			Reimbursement of expenses	10,848	1,656
Nova Mobility (Private) Limited	Related Party	Common directorship	Purchase of other material	-	32
			Purchase of property, plant & equipment	5,154	
			Reimbursement of expenses	1,912	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	7,872	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 42 of KMP and note 4.3 of disposal of property, plant and equipment. KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The Company considers its Chief Executive, Executive Directors and other executives to be KMP.

46 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

	(Rupees in Thousand)					
	Islamic	2026 Conventional	Total	Islamic	2025 Conventional	Total
Statement of Financial Position						
Assets:						
Long term investments						
Investment in subsidiary companies	374,552	-	374,552	443,964	-	443,964
Short term investment	350,000	-	350,000	-	-	-
Cash at banks	63,358	44,754	108,112	55,677	61,589	117,266
Liabilities:						
Long term financing	8,629,093	-	8,629,093	9,116,830	-	9,116,830
Short term borrowings	5,953,202	116,064	6,069,266	6,145,492	763,716	6,909,208
Accrued profit on long term financing	388,773	-	388,773	320,767	-	320,767
Accrued mark up/profit on short term borrowings	99,726	90	99,816	159,033	303	159,336
Statement of Profit or loss						
Revenue earned	30,146,977	-	30,146,977	26,328,040	-	26,328,040
Scrap sales	51,548	-	51,548	202,169	-	202,169
Profit on long term financing	790,621	-	790,621	828,485	-	828,485
Mark up/profit on short term borrowings	513,874	6,439	520,313	689,935	689	690,624
Bank charges	1,790	5,250	7,040	752	3,843	4,595
Other income						
Profit on bank deposits and TDR	27,112	-	27,112	1,364	-	1,364
Gain on disposal of property, plant and equipment	26,355	-	26,355	23,758	-	23,758
Liabilities no more payable written back	28,599	-	28,599	7,369	-	7,369
Amortization of interest free long term loan to subsidiary company	37,900	-	37,900	49,441	-	49,441
Amortization of Government Scheme	158,289	-	158,289	24,378	-	24,378
Exchange gain - net	32,274	4,298	36,572	-	-	-
Remeasurement gain on discounting of provision for GIDC	-	-	-	1,173	-	1,173
Remeasurement gain on discounting of provision for SDMIC	344,013	-	344,013	-	-	-
Miscellaneous income	2,767	-	2,767	4,227	-	4,227

Relationship with shariah compliant banks and NBFC

Name of institutions	Relationship with institutions
Askari Bank Limited	Bank balance and 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, Long term financing and Short term borrowings
Faysal Bank Limited	Bank balance, Long term financing and Short term borrowings
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

Tak

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

47 PROVIDENT FUND RELATED DISCLOSURES

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

Size of the Funds - Total Assets

Cost of Investments made

Fair value of investments

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

(Rupees in Thousand)	
2026 (Un-audited)	2025 (Audited)
159,510	158,048
157,155	155,543
158,297	156,703
99.24%	99.15%

47.1 The Break-up of cost of investments is:

Bank Deposits

(Rupees in Thousand)			
2025		2025	
Amount	%	Amount	%
157,155	100.00%	155,543	100.00%

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

48 NUMBER OF EMPLOYEES

Total number of employees as at June 30

Average number of employees during the year

(Number of employees)	
2026	2025
695	742
720	760

49 CORRESPONDING FIGURES

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

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

50 DATE OF AUTHORISATION FOR ISSUE

These un-consolidated financial statements were authorized for issue on September 18, 2026 by the Board of Directors of the Company.

51 GENERAL

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

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

Pattern of Shareholding

AS ON JUNE 30, 2026

No. of Shareholders	From	Shareholding	To	Total Shares Held
607	1	-	100	30,868
605	101	-	500	186,845
816	501	-	1000	749,063
790	1001	-	5000	1,793,873
136	5001	-	10000	998,369
46	10001	-	15000	583,590
21	15001	-	20000	359,159
9	20001	-	25000	206,055
11	25001	-	30000	309,212
4	30001	-	35000	129,187
2	35001	-	40000	76,090
1	40001	-	45000	44,352
3	45001	-	50000	145,742
1	50001	-	55000	51,300
1	55001	-	60000	55,503
3	60001	-	65000	190,980
1	70001	-	75000	75,000
2	75001	-	80000	155,682
1	85001	-	90000	86,382
1	95001	-	100000	97,000
1	115001	-	120000	120,000
1	125001	-	130000	128,000
1	130001	-	135000	133,353
1	135001	-	140000	140,000
1	145001	-	150000	147,334
1	150001	-	155000	152,400
1	195001	-	200000	200,000
1	225001	-	230000	230,000
1	240001	-	245000	241,500
1	250001	-	255000	252,000
1	350001	-	355000	353,090
1	395001	-	400000	400,000
1	400001	-	405000	401,252
1	440001	-	445000	442,390
1	450001	-	455000	451,000
1	475001	-	480000	478,390
2	480001	-	485000	960,780
1	675001	-	680000	676,265
5	705001	-	710000	3,540,930
1	735001	-	740000	738,186
1	760001	-	765000	762,000
1	865001	-	870000	868,546

Pattern of Shareholding

AS ON JUNE 30, 2026

No. of Shareholders	From	Shareholding	To	Total Shares Held
1	995001	-	1000000	1,000,000
1	1000001	-	1005000	1,001,000
1	1035001	-	1040000	1,037,152
1	1140001	-	1145000	1,143,224
1	1275001	-	1280000	1,275,566
1	1460001	-	1465000	1,460,133
1	2105001	-	2110000	2,106,713
1	2120001	-	2125000	2,123,170
1	2165001	-	2170000	2,167,612
1	2685001	-	2690000	2,689,040
1	3005001	-	3010000	3,008,200
1	3240001	-	3245000	3,240,774
1	4175001	-	4180000	4,179,210
1	5280001	-	5285000	5,282,119
1	5615001	-	5620000	5,616,140
1	6450001	-	6455000	6,451,652
1	6925001	-	6930000	6,926,740
1	7980001	-	7985000	7,983,708
1	31895001	-	31900000	31,895,139
3107				108,728,960

Pattern of Shareholding

AS ON JUNE 30, 2026

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer their Spouse(s) and Minor Children, if any.	26,194,786	24.09
Associated Companies, Undertakings and Related Parties	35,135,913	32.32
NIT and ICP	1,200	0.00
Banks Development Financial Institutions, Non Banking Financial Institutions	12,548,540	11.54
Insurance Companies	400	0.00
Modarabas and Mutual Funds	-	-
General Public		
a) Local	32,527,279	29.92
b) Foreign	2,030,604	1.87
Others	290,238	0.26
	108,728,960	100.00
Shareholders holding 10% Shares or more		
Nova Frontiers Limited	31,895,139	29.33

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Consolidated Financial Statements

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors of M/s. Gatron (Industries) Limited, we are pleased to present the Audited Consolidated Financial Statements of the Group for the year ended June 30, 2026.

THE GROUP

The Group comprises of Gatron (Industries) Limited and its subsidiaries i.e. Gatro Power (Private) Limited, Global Synthetics Limited and G-Pac Energy (Private) Limited. The Director's report, detailing performance of the Holding Company i.e. Gatron (Industries) Limited for the year ended June 30, 2026, has been annexed separately in this report.

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

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

CONSOLIDATED FINANCIALS:

(Pak Rupees in millions)

	2026	2025
Operating results for the year		
Net Revenue	30,147	26,328
Gross Profit	1,513	839
Operating Profit/(loss)	1,226	(123)
Loss before levies and income tax	(131)	(1,674)
Levies and Income tax	(365)	(341)
Loss after income tax	(496)	(2,015)
Loss per share - Basic and diluted (Rupees)	(4.56)	(18.53)
State of Affairs		
Property, plant and equipment	19,900	21,257
Other non-current assets	60	60
Current assets	15,143	15,885
Total assets	35,103	37,202
Deduct:		
Non-current liabilities	8,695	8,929
Current liabilities	14,009	15,424
Total liabilities	22,704	24,353
Net assets financed by shareholders' equity	12,399	12,849

Directors' Report

MATERIAL CHANGES AND COMMITMENTS

Except for the matters disclosed in Directors' report of Holding Company, there have been no material changes or commitments affecting the Group's financial position between June 30, 2026 and the date of this report.

INTERNAL FINANCIAL CONTROLS

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

ACKNOWLEDGMENT

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

SHABBIR DIWAN
CHIEF EXECUTIVE OFFICER

MUHAMMAD IQBAL BILWANI
DIRECTOR

September 18, 2026

M/s. Gatron (Industries) Limited کے بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2026 کو ختم ہونے والے سال کے لیے گروپ کے آڈٹ شدہ مشترکہ مالیاتی بیانات پیش کرنے پر خوش ہیں۔

گروپ

گروپ میں گیسرون (انڈسٹریز) لمیٹڈ اور اس کی ذیلی کمپنیاں شامل ہیں، یعنی گیسرو پاور (پرائیویٹ) لمیٹڈ، گلوبل سنٹیٹیکس لمیٹڈ اور جی۔ پیک انرجی (پرائیویٹ) لمیٹڈ۔ ڈائریکٹر کی رپورٹ 30 جون 2026 کو ختم ہونے والے سال کے لیے ہولڈنگ کمپنی یعنی گیسرون (انڈسٹریز) لمیٹڈ کی کارکردگی کی تفصیل دیتی ہے، اس رپورٹ میں الگ سے شامل کی گئی ہے۔

مکمل ملکیت والی ذیلی کمپنیوں، میسرز گیسرو پاور (پرائیویٹ) لمیٹڈ اور جی۔ پیک انرجی (پرائیویٹ) لمیٹڈ کا بنیادی کاروبار بجلی پیدا کرنا اور فروخت کرنا ہے۔ ذیلی کمپنیوں کے آپریشنز سال بھر معمول کے مطابق رہتے ہیں۔ مکمل ملکیتی ذیلی کمپنی میسرز گلوبل سنٹیٹیکس لمیٹڈ نے ابھی تک اپنی سرگرمیاں شروع نہیں کیں۔

یکجا شدہ مالیات:

(پاکستانی روپے بلین میں)

سال کے آپریٹنگ نتائج	2026	2025
خالص آمدنی	30,147	26,328
مجموعی منافع	1,513	839
آپریٹنگ منافع/(نقصان)	1,226	(123)
لیویز اور انکم ٹیکس سے پہلے نقصان	(131)	(1,674)
لیویز اور انکم ٹیکس	(365)	(341)
انکم ٹیکس کے بعد نقصان	(496)	(2,015)
نقصان فی شیئر بنیادی اور تقسیم شدہ (Loss per share - Basic and diluted) (روپے)	(4.56)	(18.53)

معاملات کی صورت حال	2026	2025
املاک، پائمنٹ اور ایکویپمنٹ	19,900	21,257
دیگر پائمنٹ اور اثاثہ جات	60	60
بدل پزیر اثاثہ جات	15,143	15,885
کل اثاثہ جات	35,103	37,202
منہا جات		
پائمنٹ اور واجبات	8,695	8,929
بدل پزیر واجبات	14,009	15,424
کل واجبات	22,704	24,353
خالص اثاثہ جات ادا شدہ چنانچہ ایکویٹی باقیہ قص یا فینگان	12,399	12,849

اہم تبدیلیاں اور معاہدے

ہولڈنگ کمپنی کی ڈائریکٹر ز رپورٹ میں ظاہر کیے گئے معاملات کے علاوہ، 30 جون 2026 سے اس رپورٹ کی تاریخ تک گروپ کی مالی پوزیشن پر کوئی اہم تبدیلی یا وعدہ نہیں ہوا۔

اندرونی مالی کنٹرولز

اندرونی کنٹرولز کا نظام ڈیزائن میں مضبوط ہے اور مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔

اعتراف

آپ کی کمپنی کے بورڈ آف ڈائریکٹر ز اس موقع پر تمام اسٹیک ہولڈرز کی حوصلہ افزائی اور مسلسل تعاون پر گہری شکرگزاری کا اظہار کرتے ہیں، ہم کمپنی کی انتظامیہ اور معاون عملے کی تسلی بخش کارکردگی اور فرض شناسی کے لیے شکرگزار ہیں اور تمام سرکاری اداروں، آڈیٹر ز، PSX، SECP اور بینکوں کے قیمتی تعاون اور تعاون کے لیے شکرگزار ہیں۔

محمد اقبال بلوچی

ڈائریکٹر

شمیر دیوان

چیف ایگزیکٹو آفیسر

18 ستمبر 2026

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

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Gatron (Industries) Limited**, and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2026, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2026 and (of) its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Emphasis of matter

We draw the attention to the contents of note 30.1.1 of the annexed consolidated financial statements relating to provision in respect of WPPF, the ultimate outcome whereof cannot be presently ascertained, and no provision for any liability, that may arise, has been made in the annexed consolidated financial statements, our opinion is not qualified in respect of this matter.

Key Audit Matter(s)

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

Following are the Key audit matters:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	<u>Recognition of Revenue</u> Revenue from sale of the Group's products was Rs. 30,146.97 million as disclosed in note 4.16 and 31. Revenue is recognized at point in time when performance obligations are satisfied by transferring control of promised goods to customer. Revenue being one of key performance indicator of the Group and there is inherent risk of material misstatement involved in revenue recognition has resulted in the revenue recognition being considered as a key audit matter.	Our audit procedures included the following: ➤ Assessed the appropriateness of the Group's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➤ Obtained an understanding of management's internal controls over the revenue process and tested effectiveness of controls relevant to such process. ➤ Performed cut-off procedures on sample basis on revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, invoices and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period. ➤ Performed test of details by selecting sample of transactions for comparing with sales invoices, dispatch documents and other underlying records; and ➤ Performed other related procedures and evaluated the appropriateness of disclosures in the consolidated financial statements in accordance with the requirements of the accounting and reporting standards applicable in Pakistan.

S. No.	Key audit matter(s)	How the matter was addressed in our audit
2	<u>Borrowings</u> The Group has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 14,826.35 million, being 65.30% of total liabilities, as at reporting date. Given the significant level of borrowings, finance costs and gearing impact, the disclosure given by the management in consolidated financial statements and compliance with various loan covenants, this is considered to be a key audit matter. (refer notes 4.14, 21 and 27 to the consolidated financial statements).	Our audit procedures included the following: ➤ Reviewed loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level. ➤ Verified disbursement of loans and utilization on sample basis. Reviewed charge registration documents. ➤ Verified repayments made by the Group during the year on sample basis to confirm that repayments are being made on time and no default has been made. ➤ Checked the Group's compliance with the debt covenants on sample basis as outlined in the loan agreements. ➤ Performed analytical procedures, recalculations and other related procedures for verification of finance costs on sample basis; and ➤ Ensured that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Chartered Accountants

Karachi:

Dated: September 21, 2026

UDIN: AR202610729RTP2eBpHq

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

		(Rupees in Thousand)	
	Note	2026	2025
ASSETS			
Non - Current Assets			
Property, plant and equipment	5	19,900,423	21,257,284
Intangible asset	6	49,669	50,127
Long term loans	7	3,245	3,023
Long term deposits	8	6,936	6,936
		19,960,273	21,317,370
Current Assets			
Stores, spare parts and loose tools	9	2,537,262	2,767,246
Stock in trade	10	6,750,520	7,313,274
Trade debts	11	3,626,107	4,662,811
Loans and advances	12	363,942	596,525
Current portion of long term loans	13	23,376	19,010
Trade deposits and short term prepayments	14	3,715	11,082
Other receivables	15	274,023	332,635
Advance income tax		100,000	50,000
Short term investment	16	350,000	-
Cash and bank balances	17	165,033	132,179
Assets classified as held for sale	18	948,368	-
		15,142,346	15,884,762
TOTAL ASSETS		35,102,619	37,202,132
EQUITY AND LIABILITIES			
EQUITY			
Share capital	19	1,087,290	1,087,290
Reserves	20	11,311,481	11,761,639
		12,398,771	12,848,929
LIABILITIES			
Non - Current Liabilities			
Long term financing	21	7,160,621	7,628,310
Lease liability against right of use assets	22	36,522	71,666
Deferred liabilities and income	23	1,497,463	1,229,499
		8,694,606	8,929,475
Current Liabilities			
Trade and other payables	24	4,490,781	5,257,300
Unclaimed dividend		775	853
Unpaid dividend	25	20,801	20,801
Accrued mark-up/ profit	26	491,827	480,103
Short term borrowings	27	6,069,266	6,909,208
Current portion of long term financing	21	1,596,472	1,488,520
Current portion of lease liability against right of use assets	22	25,419	23,322
Current portion of deferred liabilities and income	28	1,116,217	976,055
Provision for levies and income tax less payments	29	197,684	267,566
		14,009,242	15,423,728
CONTINGENCIES AND COMMITMENTS	30		
TOTAL EQUITY AND LIABILITIES		35,102,619	37,202,132

The notes 1 to 52 annexed herewith form an integral part of these consolidated financial statements.

Current ratio
LT debt to equity

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

Buying/Selling closing conversion rates were 1 US\$ = Rs.278.05/278.55, 1 Euro € = Rs.316.92/317.51 and 1 Pound £ = Rs.367.64/368.32

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	(Rupees in Thousand)	
		2026	2025
Sales	31	30,146,977	26,328,040
Cost of sales	32	28,634,429	25,488,673
Gross profit		1,512,548	839,367
Distribution and selling costs	33	319,521	446,117
Administrative expenses	34	536,905	502,345
Other expenses	35	62,475	121,101
		918,901	1,069,563
		593,647	(230,196)
Other income	36	632,329	106,910
Operating profit/(loss)		1,225,976	(123,286)
Finance cost	37	1,356,598	1,550,896
Loss before levies and income tax		(130,622)	(1,674,182)
Levies	38	375,818	329,842
Loss before income tax		(506,440)	(2,004,024)
Income tax	39	(10,094)	10,657
Loss for the year		(496,346)	(2,014,681)
Loss per share - Basic and diluted (Rupees)	40	(4.56)	(18.53)

The notes 1 to 52 annexed herewith form an integral part of these consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	(Rupees in Thousand)	
		2026	2025
Loss for the year		(496,346)	(2,014,681)
Other comprehensive income		-	-
<i>Items that will never be reclassified to statement of profit or loss</i>			
Gain on remeasurement of defined benefit plan having nil tax impact	23.2	46,188	56,494
Total comprehensive loss		<u>(450,158)</u>	<u>(1,958,187)</u>

The notes 1 to 52 annexed herewith form an integral part of these consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	(Rupees in Thousand)					Total
	Share capital	Capital reserves (note 20)	General reserve	Reserves (Accumulated loss)/ Unappropriated profit	Sub 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 year ended June 30, 2026						
Loss for the year	-	-	-	(496,346)	(496,346)	(496,346)
Other comprehensive income	-	-	-	46,188	46,188	46,188
	-	-	-	(450,158)	(450,158)	(450,158)
Balances as at June 30, 2026	1,087,290	11,656,603	285,000	(630,122)	11,311,481	12,398,771

The notes 1 to 52 annexed herewith form an integral part of these consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	(Rupees in Thousand)	
		2026	2025
Cash flows from/(towards) Operating Activities			
Loss before levies and income tax		(130,622)	(1,674,182)
Adjustments for non cash income and expenses:			
Depreciation on property, plant and equipment	5.2	2,030,016	1,704,344
Depreciation on right of use assets	5.6	20,151	24,639
Amortization of intangible asset	6	10,334	10,025
Provision for defined benefit plan	23.2	132,469	144,952
Gain on disposal of property, plant and equipment	36	(26,559)	(23,758)
Impairment of allowance for ECL-net	35	48,101	45,761
Impairment allowance for slow moving stores, spare parts and loose tools-net	35	8,869	21,411
Remeasurement gain on discounting of provision for GIDC	36	-	(11,008)
Remeasurement gain on discounting of provision for SDMIC	36	(344,013)	-
Finance costs	37	1,356,598	1,550,896
		3,235,966	3,467,262
		3,105,344	1,793,080
Decrease/(increase) in current assets:			
Stores, spare parts and loose tools		221,115	57,258
Stock in trade		562,754	189,750
Trade debts		988,603	(1,192,347)
Loans and advances		232,583	(167,873)
Trade deposits and short term prepayments		7,367	72,571
Other receivables		15,443	628,871
		2,027,865	(411,770)
Increase/(decrease) in trade and other payables		126,978	(1,090,226)
Cash flows from operations		5,260,187	291,084
(Payment for)/receipts of:			
Long term loans		(4,588)	910
Defined benefit plan	23.2	(69,350)	(41,473)
Finance costs		(1,333,395)	(1,599,439)
Income tax		(442,437)	(253,263)
Net cash flows from/(towards) operating activities		3,410,417	(1,602,181)
Cash flows (towards)/from Investing Activities			
Additions in property, plant and equipment		(1,692,377)	(1,485,069)
Proceeds from disposal of property, plant and equipment	5.3	63,797	48,503
Additions in intangible assets	6	(9,876)	-
(Increase)/decrease in short term investments		(350,000)	296,297
Net cash flows towards investing activities		(1,988,456)	(1,140,269)
Cash flows from/(towards) Financing Activities			
Long term financing - proceeds received		911,486	286,053
Long term financing - repayments		(1,429,512)	(1,039,695)
Payments for lease liability against right of use assets		(31,061)	(34,668)
Short term borrowings - net (fixed term instruments)		1,082,963	142,609
Dividend paid		(78)	(7,366)
Net cash flows from/(towards) financing activities		533,798	(653,067)
Net increase/(decrease) in cash and cash equivalents		1,955,759	(3,395,517)
Cash and cash equivalents at the beginning of the year		(6,469,595)	(3,074,078)
Cash and cash equivalents at the end of the year	41	(4,513,836)	(6,469,595)

The notes 1 to 52 annexed herewith form an integral part of these consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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 The Board of Directors of Gatron (Industries) Limited on January 28, 2026 have resolved to authorize the Company to enter into a Scheme of Arrangement ("Scheme") with Nova Frontiers Limited ("NFL") and Ghani & Tayub (Private) Limited ("G&T").

Under the proposed Scheme:

- (i) NFL will cancel the shares held by the certain categories of its shareholders (collectively referred to as the "Outgoing Shareholders"). As a consequence of the aforesaid, the 29.33% shareholding of Gatron, currently held by NFL, will be cancelled and in lieu of the cancelled shares new shares of Gatron will be issued to the Outgoing Shareholders/beneficial owners of outgoing shareholders of NFL. New shares will be issued on the basis of swap ratio to be determined by professional valuer after undertaking the valuation of the companies.
- (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.

In accordance with the directions of the Hon'ble Court, the shareholders of all the companies involved have approved the proposed restructuring. The matter is now pending before the Hon'ble High Court of Balochistan at Quetta for further proceedings and sanction of the Scheme.

2 BASIS OF CONSOLIDATION

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

3 BASIS OF PREPARATION

3.1 Basis of measurement

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

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

3.2 Functional and reporting currency

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

3.3 Statement of compliance

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

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

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

3.4 Standard, Interpretations and amendments to the approved accounting standards

3.4.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Groups's annual accounting period which began on 1 July 2025. However, these do not have any significant impact on the Group's financial statements except as disclosed in note 4 to these consolidated financial statements.

3.4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

		Effective from accounting period beginning on or after:
IAS-7	Statement of Cash Flows (Amendments)	January 01, 2026
IAS-21	The Effects of changes in Foreign Exchange Rates	January 01, 2027
IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 01, 2027
IFRS-7	Financial Instruments: Disclosures	January 01, 2026
IFRS-9	Financial Instruments (Amendments)	January 01, 2026
IFRS 10	Consolidated Financial Statements	January 01, 2026
IFRS 17	Insurance Contracts (Amendments)	January 01, 2027
IFRS 18	Presentation and Disclosure in Financial	January 01, 2027
IFRS 19	Subsidiaries without Public Accountability:	January 01, 2027

The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the consolidated financial statements other than in presentation / disclosures.

3.4.3 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC - 12	Service Concession Arrangement

3.5 Critical Accounting Estimates and Judgments

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

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

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

3.5.1 Property, plant and equipment and Intangible asset

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

3.5.2 Impairment of financial assets

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

3.5.3 Stock in trade

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

3.5.4 Stores, spare parts and loose tools

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

3.5.5 Defined benefit plan

The actuarial valuation of defined benefit plan, have been premised on certain actuarial hypothesis, as disclosed in note 4.8.2 and 23.2. Changes in assumptions in future years may affect the liability under this scheme upto those years.

3.5.6 Levies

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

3.5.7 Income tax

In making the estimate for income tax liabilities, the management considers current income tax law and the decisions of appellate authorities. Deferred tax estimate is made considering future applicable tax rate, as also stated disclosed in note 4.11.

3.5.8 Contingencies

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

3.5.9 Leases

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are the same as those consistently applied in the preparation of the consolidated financial statements of the Group for the year ended June 30, 2025. The principal material policies applied in the preparation of these consolidated financial statements are set out below:

4.1 Property, plant and equipment

Initial Recognition:

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

Measurement:

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

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

Subsequent costs:

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

Depreciation:

Depreciation is charged on diminishing balance method except overhauling (major parts), which are depreciated at straight line method, at the rates mentioned in Note 5.1, whereby the depreciable amount of an asset is written off over its estimated useful life. Depreciation on addition is charged from the month of the asset is available for use upto the month prior to disposal.

Impairment:

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

Write off:

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

Gain or Loss:

Gain or loss on disposal of property, plant and equipment, if any, is recognized in the consolidated statement of profit or loss.

Right of use assets:

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

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

4.2 Intangible Asset

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

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

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

4.3 Impairment

Financial assets

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

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respects to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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

Non-financial assets

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

4.4 Stores, spare parts and loose tools

These are valued at weighted average cost. Items in transit are valued at cost comprising of invoice value and other incidental charges incurred thereon till the reporting date. Adequate impairment allowance is made for slow moving and obsolete items based on parameter set out by the management as stated in note 3.5.4. The major value spares and stand by equipments are capitalized and depreciated according to their useful life.

4.5 Stock in trade

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

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

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

4.6 Trade debts, advances and other receivables

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

4.7 Cash and cash equivalents

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

4.8 Employees' post employment benefits

4.8.1 Defined contribution plan

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

4.8.2 Defined benefit plan

The Group operates an unfunded defined gratuity scheme, in addition to defined contribution plan being not mandatory under the law, for its employees and working directors who attain the minimum qualification period. The obligation is determined through actuarial valuation by an independent actuary using the "Projected Unit Credit Method". The latest actuarial valuation was conducted on the balances as at June 30, 2026.

4.9 Compensated unavailed leaves

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

4.10 Government scheme

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

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

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

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

4.11 Income Tax

Current

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

Profits and gains derived by the Subsidiary 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 consolidated financial statements in the period in which these are approved.

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

4.19 Financial instruments

Initial measurement of financial asset

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

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

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

Subsequent measurement

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

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

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

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

Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

4.20 Financial liabilities

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

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

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

4.21 Offsetting of financial assets and financial liabilities

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

4.22 Operating segments

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

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

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

Segment capital expenditure have the total cost incurred during the year to acquire property, plant and equipment. Segment results are stated in note 44.

4.23 Contingent liabilities

Contingent liability is disclosed when

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.24 Lease liabilities

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

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

	Note	(Rupees in Thousand)	
		2026	2025
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	18,154,596	19,391,804
Capital work in progress	5.5	1,702,736	1,788,773
Right of use assets	5.6	43,091	76,707
		<u>19,900,423</u>	<u>21,257,284</u>

5.1 Operating fixed assets

Particulars	(Rupees in Thousand)										
	Land		Building		Office premises	Plant and machinery	Furniture and fixtures	Factory equipment	Office equipment	Motor vehicles	Overhauling of generators
	Freehold	Leasehold	On freehold land	On leasehold land							
Net carrying value											
Year ended June 30, 2026											
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
Additions-Direct	-	-	-	-	-	5,542	-	4,227	783	75,454	-
Transfer from capital work in progress (note 5.5)	-	-	-	-	-	675,398	-	-	-	-	68,642
Less: Disposal at NBV (note 5.3)	-	-	-	-	-	1,357	-	-	-	35,881	-
Less: Depreciation (note 5.2)	-	-	26,694	162,633	60	1,716,251	341	18,437	2,077	55,210	48,313
Net book value as at 30th June 2026	355,593	47,265	240,246	1,463,699	536	15,616,807	1,363	74,599	7,424	245,620	101,444
Gross carrying value											
At June 30, 2026											
Cost	355,593	47,265	297,389	2,428,942	3,571	27,042,710	6,097	204,847	27,080	503,095	522,553
Less: Accumulated depreciation	-	-	57,143	965,243	3,035	11,425,903	4,734	130,248	19,656	257,475	421,109
Net book value	355,593	47,265	240,246	1,463,699	536	15,616,807	1,363	74,599	7,424	245,620	101,444
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
Additions-Direct	169,525	-	-	-	-	12,516	-	5,299	1,009	57,041	-
Transfer from capital work in progress (note 5.5)	-	-	283,141	488,873	-	4,891,587	-	-	-	-	33,855
Less: Disposal at NBV (note 5.3)	-	-	-	-	60	3,259	-	-	-	21,426	-
Less: Depreciation (note 5.2)	-	-	16,552	134,724	70	1,440,113	426	21,728	2,650	58,108	29,973
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
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
Less: Accumulated depreciation	-	-	30,449	802,610	2,975	9,915,239	4,393	111,811	17,579	241,826	372,796
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
Depreciation rate % per annum	-	-	10	10	10	10 to 30	20	20	20 to 30	20	10 to 30

5.2 Depreciation for the year has been allocated as follows:

	Note	(Rupees in Thousand)	
		2026	2025
Cost of sales	32	2,017,647	1,692,497
Distribution and selling costs	33	3,607	2,749
Administrative expenses	34	8,762	9,098
		2,030,016	1,704,344

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

(Rupees in Thousand)

Description	Cost	Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyers
PLANT AND MACHINERY						
Items having book value upto Rs.500 thousand each	206,944	1,357	4,955	3,598	Negotiation	Various
Sub Total	206,944	1,357	4,955	3,598		
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
TOYOTA COROLLA GLI BRK-454	2,875	777	1,601	824	Company Policy	Mr. Hamid Employee of the company
TOYOTA YARIS GLI CVT CCL-023	4,835	4,755	4,836	81	Company Policy	Mr. Faraz ul Haq Employee of the company
HONDA BRV, I-VTEC BH-5312	3,267	867	2,043	1,176	Company Policy	Mr. Attique Ahmed Employee of the company
SUZUKI SWIFT DLX BRK-483	2,140	568	1,423	855	Company Policy	Mr. Zakaria Memon Employee of the company
TOYOTA COROLLA CROSS AT BN-5943	8,767	7,472	8,088	616	Company Policy	Mr. Muhammad Naeem Employee of the company
KIA PICANTO A/T BSF-304	2,004	593	1,631	1,038	Company Policy	Mr. Nabeel Afzal Employee of the company
TOYOTA YARIS ATIV CVT BZY-779	4,766	3,249	4,277	1,028	Company Policy	Mr. Waqas Tipu Employee of the company
SUZUKI CULTUS VXR BVE-550	1,655	650	1,655	1,005	Company Policy	Mr. Muhammad Yaseen Employee of the company
TOYOTA COROLLA GLI BRP-643	2,875	747	1,651	904	Company Policy	Mr. Muhammad Khalid Employee of the company
HONDA BR-V I-VTEC BL-7634	6,328	3,873	5,728	1,855	Company Policy	Mr. Imran Khan Employee of the company
Lifter Diesel operated	2,681	445	600	155	Negotiation	Messrs. Novatex Limited-Related party Ground floor, G&T Tower, #18 Beaumont Road, Civil Lines 10, Karachi
Items having book value upto Rs.500 thousand each	8,106	1,883	6,163	4,280	Company Policy / negotiation	Various
Sub Total	75,442	35,881	58,842	22,961		
Total 2026	282,386	37,238	63,797	26,559		
Total 2025	116,484	24,745	48,503	23,758		

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

Particulars	Location	Approximate Area
Land		
Freehold	Plot#435/43, 441/49, 442/49, 443/49, 446/49/1, 445/49/1, 448/36, 450/41, 452/44, 452/440/44, 453/440/44, 36, 45/1 & 53/2 at H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	27 Acres
Freehold	Plot#34 & 36 at Manghopir, Gadap Town, Karachi	13 Acres
Leasehold	Plot# 436/43, 437/43, 438/43, 439/44, 449/41, 451/440/44, 44, 50, 50/1, 52, 52/1 & 53/1 at H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	39 Acres
Building		
On Freehold land	H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	11,500 Sq. Meters
On Leasehold land	H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	171,475 Sq. Meters
Office Premises	Office#1A ,3A, 3B & 7B 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 Fixed Asset/Asset Held for sale	Balance as at June 30, 2026
Plant and machinery under erection	1,788,773	1,606,371	(1,692,408)	1,702,736
	1,788,773	1,606,371	(1,692,408)	1,702,736
	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.0.159 million (2025: Rs.1.948 million). Effective rate of borrowing cost @8.50% (2025: 11.21% to 12.14%).

		Note	(Rupees in Thousand)	
			2026	2025
5.6	Right of use assets			
	Rented Premises:			
	Balance as at start of the year		76,707	108,825
	Effect of lease modification during the year		(13,465)	(7,479)
	Depreciation for the year	5.6.1	(20,151)	(24,639)
	Balance as at end of the year		43,091	76,707
	Gross carrying amount as at June 30			
	Cost		125,066	132,545
	Modification		(13,465)	(7,479)
	Accumulated Depreciation		(68,510)	(48,359)
			43,091	76,707
5.6.1	Allocation of depreciation			
	Distribution and selling costs	33	8,368	8,368
	Administrative expenses	34	11,783	16,271
			20,151	24,639

		Note	(Rupees in Thousand)	
			2026	2025
6	INTANGIBLE ASSET			
	Software & licences			
	Balance as at start of the year		50,127	60,152
	Additions during the year		9,876	-
			60,003	60,152
	Amortization during the year	6.1	(10,334)	(10,025)
	Balance as at end of the year		49,669	50,127
	Gross carrying amount as at June 30			
	Cost		80,202	80,202
	Addition during the year		9,876	-
	Accumulated Amortization		(40,409)	(30,075)
			49,669	50,127
	Useful life		8 Years	8 Years
	Remaining Useful life		4 / 7 Years	5 Years
6.1	Allocation of amortization			
	Cost of sales	32	309	-
	Administrative expenses	34	10,025	10,025
			10,334	10,025
7	LONG TERM LOANS - Considered good			
	Secured - Interest free			
	To employees other than Chief Executive & Directors	7.1 & 7.2	26,621	22,033
	Amount due in twelve months shown under current assets	13	(23,376)	(19,010)
	Recoverable within three years		3,245	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.			
8	LONG TERM DEPOSITS			
	Security deposits for utilities and others		6,936	6,936
9	STORES, SPARE PARTS AND LOOSE TOOLS			
	In hand:			
	Stores		1,062,446	1,151,966
	Spare parts		1,644,438	1,773,832
	Loose tools		14,836	15,396
			2,721,720	2,941,194
	Impairment allowance for slow moving stores, spare parts and loose tools	9.1	(185,751)	(176,882)
			2,535,969	2,764,312
	In transit		1,293	2,934
			2,537,262	2,767,246
9.1	Impairment allowance for slow moving stores, spare parts and loose tools			
	Balance as at start of the year		176,882	155,471
	Impairment allowance for the year	35	8,869	21,411
	Balance as at end of the year		185,751	176,882
10	STOCK IN TRADE			
	Raw and packing material		1,302,846	1,097,642
	Raw and packing material in transit		106,203	327,624
	Goods in process		633,419	1,993,722
	Unfinished goods held for sale		-	1,206
	Finished goods	10.1	4,708,052	3,893,080
			6,750,520	7,313,274

- 10.1** These include items costing Rs.41.999 million (2025: Rs.78.767 million) valued at net realizable value of Rs.31.113 million (2025: Rs.60.889 million).

11	TRADE DEBTS	Note	(Rupees in Thousand)	
			2026	2025
	Considered good			
	Secured			
	Local		474,003	-
	Secured - Export	11.1 & 11.2	62,879	60,777
		11.3	536,882	60,777
	Unsecured - local	11.4	3,089,225	4,602,034
			3,626,107	4,662,811
	Allowance for ECL - local			
	Unsecured - local		264,682	216,581
	Allowance for ECL - local	11.5	(264,682)	(216,581)
			-	-
			3,626,107	4,662,811

- 11.1** These represent balances of US\$ 0.226 million (2025: US\$ 0.214 million).

- 11.2** These include Rs.62.879 million (2025: Rs.60.390 million) due from a related party Messrs. G-Pac Corporation and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.181.990 million (2025: Rs.170.030 million).

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

- 11.4** These includes related parties balances are as follows:

- a)** These include Rs.139.680 million (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 year was Rs.1,816.054 million (2025: Rs.940.978 million).
- b)** These include Rs.173.457 million (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 year was Rs.329.555 million (2025: Rs.312.023 million).

	Not past due		12,640	13,870
	Past due 1-30 days		25,344	15,036
	Past due 31-90 days		37,747	27,251
	Past due 91-180 days		35,281	44,657
	Past due 180 days		62,445	193,253
			173,457	294,067
11.5	Allowance for ECL - local			
	Balance as at start of the year		216,581	170,820
	Charge for the year		130,986	134,351
	Reversals since recovered		(82,885)	(88,590)
	Charge for the year - net	35	48,101	45,761
	Balance as at end of the year		264,682	216,581

12 LOANS AND ADVANCES - Considered good

Secured

Advances to employees	12.1	3,107	3,506
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Unsecured

Advances:			
to suppliers and contractors	12.2	354,050	586,068
for imports		6,785	6,951
		360,835	593,019
		363,942	596,525

- 12.1 These represent advances against monthly salary under the terms of employment.
- 12.2 These include advances against purchase of vehicles Rs.3.743 million (2025: Rs.5.665 million).

		(Rupees in Thousand)	
	Note	2026	2025
13 CURRENT PORTION OF LONG TERM LOANS			
Secured			
Loan recoverable in twelve months from employees	7	23,376	19,010
14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Margins held by banks	14.1	-	8,265
Security deposits		200	300
Prepayments		3,515	2,517
		3,715	11,082
14.1 This represents margin held by bank against Letters of Credit.			
15 OTHER RECEIVABLES - Considered good			
Receivable from suppliers	15.1	58,820	118,401
Claims receivable from suppliers		5,648	7,531
Sales tax		173,449	130,964
Partial alleged sales tax demand paid	30.1.5, 30.1.15, 30.1.17 & 30.1.20	30,483	30,483
Partial alleged income tax demand paid		-	43,169
Others	15.2	5,623	2,087
		274,023	332,635
15.1 These includes balances receivable:			
a) Rs.16.144 million (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 year end. The maximum aggregate amount due at any month end during the year was Rs.77.323 million (2025: Rs.24.918 million).			
b) Balances receivable in foreign currency of US\$ 0.134 million & Euro:0.017 million (2025: US\$ 0.357 million & Euro:0.017 million).			
15.2 These includes related parties balances are as follows:			
a) These include Rs.0.796 million (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 year end. The maximum aggregate amount due at any month end during the year was Rs.1.981 million (2025: Rs.2.459 million).			
b) These include Rs.0.725 million (2025: Rs.0.116 million) receivable from a related party Messrs. Nova Mobility (Private) Limited and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.0.945 million (2025: Rs.0.150 million).			
16 SHORT TERM INVESTMENT			
Term deposit receipt - Shariah compliant		350,000	-
16.1 This represent term deposit receipt which carry profit ranges 9.8% to 10% p.a . The investment has maturity of upto one month. This is lien marked against bank guarantee of Rs.350 million (2025: nil) provided to Messrs. Sui Southern Gas Company Limited.			
17 CASH AND BANK BALANCES			
Cash in hand		1,186	2,728
Cash at banks			
In current accounts : Local currency		138,634	90,875
In saving accounts : Local currency	17.1	787	1,711
In current accounts : Foreign currency	17.2	24,426	36,865
		163,847	129,451
		165,033	132,179

- 17.1** These include security deposits received from contractors Rs.0.680 million (2025 Rs.1.605 million) refer note 24.5. These carries profit ranging from 4.50% to 7.10%.
- 17.2** These represent balances of US\$ 87,131.37 and Euro € 629.98 (2025: US\$ 129,252.57 and Euro € 629.98).

	Note	(Rupees in Thousand)	
		2026	2025
18 ASSETS CLASSIFIED AS HELD FOR SALE		948,368	-

During the year, the Subsidiary Company Messrs. Gatro Power (Private) Limited classified certain plant and machinery as assets held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, as management is committed to a plan to dispose of the assets and the sale is considered highly probable.

The assets classified as held for sale comprise Gas Turbine T70. The classification has been made following management's decision to dispose of the asset, and the asset is available for immediate sale in its present condition. The proposed disposal is expected to be completed through third party.

Management has initiated the necessary steps to dispose of the asset and is actively pursuing the sale. The disposal is expected to be completed within next financial year, subject to completion of the necessary commercial, legal and regulatory formalities.

In accordance with IFRS 5, the asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

The assets classified as held for sale are presented separately from other assets in the Statement of Financial Position. Depreciation on these assets has ceased from the date they met the classification criteria under IFRS 5.

The classification and related disclosures have been made considering the requirements of IFRS 5, including the description of the assets, the facts and circumstances leading to the proposed disposal, the expected manner and timing of disposal, the carrying amount, and the measurement at fair value less costs to sell.

19 SHARE CAPITAL

		(Number of Shares)			
		2026	2025		
19.1	Authorized capital				
		130,000,000	130,000,000	Ordinary shares of Rs.10 each	1,300,000 1,300,000
19.2	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

- 19.2.1** These include 3,240,774 (2025: 3,240,774) shares held by a related party, Messrs. Ghani & Tayub (Private) Limited, Nil (2025: 31,895,139) shares held by associated companies Messrs. Novatex Limited and 31,895,139 (2025: Nil) shares held by Messrs. Nova Frontiers Limited.

20 RESERVES

These includes Capital Reserves as follows:

	Share premium	20.1	5,656,603	5,656,603
	Capital expenditure and balancing, modernization & replacement (BMR)	20.2	6,000,000	6,000,000
			11,656,603	11,656,603
20.1	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.			
20.2	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)	
			2026	2025
21	LONG TERM FINANCING - Secured			
	Under Shariah compliant			
	Meezan Bank Limited	21.1	1,260,538	1,568,687
	Dubai Islamic Bank Pakistan Limited	21.2	38,309	46,608
	United Bank Limited	21.3	1,270,553	1,422,957
	Bank Al-Falah Limited	21.4	682,640	792,860
	Meezan Bank Limited	21.5	925,735	1,137,056
	Habib Metropolitan Bank Limited	21.6	70,317	78,684
	Faysal Bank Limited	21.7	132,290	154,207
	Faysal Bank Limited	21.8	838,188	981,001
	Habib Bank Limited	21.9	2,036,104	2,222,623
	Bank Al-Habib Limited	21.10	105,480	116,188
	First Habib Modaraba	21.11	236,790	333,630
	Soneri Bank Limited	21.12	28,186	31,852
	Bank Al-Habib Limited	21.13	80,000	90,000
	MCB Islamic Bank Limited	21.14	242,643	140,477
	Bank Al-Habib Limited	21.15	681,320	-
	First Habib Modaraba	21.16	128,000	-
			8,757,093	9,116,830
	Current maturity shown under current liabilities		(1,596,472)	(1,488,520)
			7,160,621	7,628,310
21.1	This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.2,465.193 million (2025: Rs.2,465.193 million) obtained by the Parent Company 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 year		1,568,687	1,876,836
	Repayments during the year		(308,149)	(308,149)
	Balance as at end of the year		1,260,538	1,568,687
21.2	This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.88.204 million (2025: Rs.88.204 million) obtained by the Parent Company during February 2020 to September 2021 for procurement of solar panels/solar plant. Principal is repayable alongwith profit in 20 equal half yearly installments, commencing after a grace period of three months and expiring during February 2030 to September 2031 on their respective maturities. The applicable rate of return is relevant SBP rate+1.50% bank profit. These loans are secured against the hypothecation charge over specific plant and machinery (solar equipments).			
	Balance as at start of the year		46,608	54,815
	Repayments during the year		(8,299)	(8,207)
	Balance as at end of the year		38,309	46,608
21.3	This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.2,200 million (2025: Rs.2,200 million) having present value of Rs.1,270.553 million (2025: Rs.1,422.957 million) obtained by the Parent Company during February 2021 to October 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during February 2031 to October 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1.25% bank profit. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.			
	Balance as at start of the year		1,422,957	1,353,117
	Amortization of government scheme		122,596	129,360
	Repayments during the year		(275,000)	(59,520)
	Balance as at end of the year		1,270,553	1,422,957
21.4	This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.1,000 million (2025: Rs.1,000 million) having present value of Rs.682.640 million (2025: Rs.792.860 million) obtained by the Parent Company 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)	
		2026	2025
	Balance as at start of the year	792,860	894,258
	Amortization of government scheme	14,780	16,140
	Repayments during the year	(125,000)	(117,538)
	Balance as at end of the year	682,640	792,860
21.5	This represents Diminishing Musharakah amounting to Rs.1,554.482 million (2025: Rs.1,554.482 million) obtained by the Parent Company during August 2021 to August 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 12 equal half yearly installments, commencing after a grace period of one years and expiring during August 2028 to August 2029 on their respective maturities. The applicable rate of profit is 6 months KIBOR+0.10%. These loans are secured by way of specific hypothecation charge over plant and machinery.		
	Balance as at start of the year	1,137,056	1,348,376
	Repayments during the year	(211,321)	(211,320)
	Balance as at end of the year	925,735	1,137,056
21.6	This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.119.904 million (2025: Rs.119.904 million) having present value of Rs.70.317 million (2025: Rs.78.684 million) obtained by the Parent Company during July 2021 to March 2023 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during July 2031 to March 2033 on their respective maturities. The applicable rate of profit is relevant SBP rate+1% bank profit. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.		
	Balance as at start of the year	78,684	80,006
	Amortization of government scheme	6,621	6,849
	Repayments during the year	(14,988)	(8,171)
	Balance as at end of the year	70,317	78,684
21.7	This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.217.113 million (2025: Rs.217.113 million) obtained by the Parent Company during July 2021 to February 2023 for procurement of plant & machinery (solar equipments). Principal is repayable alongwith profit in 20 equal half yearly installments, commencing after a grace period of three months and expiring during September 2031 to May 2033 on their respective maturities. The applicable rate of return is relevant SBP rate+1% bank profit. These loans are secured against the specific hypothecation charge over plant and machinery (solar equipments).		
	Balance as at start of the year	154,207	178,018
	Repayments during the year	(21,917)	(23,811)
	Balance as at end of the year	132,290	154,207
21.8	This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.1,142.508 million (2025: Rs.1,142.508 million) obtained by the Parent Company during October 2021 to April 2023 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during October 2031 to June 2032 on their respective maturities. The applicable rate of profit is relevant SBP rate+1% bank profit. Out of total principal, SBP has not disbursed loan amounting to Rs.706.811 million under ILTFF Scheme, therefore bank is charging profit at 3 months KIBOR on those disbursements. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.		
	Balance as at start of the year	981,001	1,123,815
	Repayments during the year	(142,813)	(142,814)
	Balance as at end of the year	838,188	981,001
21.9	This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.2,255.522 million (2025: Rs.2,255.522 million) obtained by the Parent Company 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)	
		2026	2025
	Balance as at start of the year	2,222,623	2,116,194
	Loan obtained during the year	-	139,328
	Repayments during the year	(186,519)	(32,899)
	Balance as at end of the year	2,036,104	2,222,623
21.10	This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.200 million (2025: Rs.200 million) having present value of Rs.105.480 million (2025: Rs.116.188 million) obtained by the Parent Company during August 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during August 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1% bank profit. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.		
	Balance as at start of the year	116,188	120,031
	Amortization of government scheme	14,292	14,907
	Repayments during the year	(25,000)	(18,750)
	Balance as at end of the year	105,480	116,188
21.11	This represents Diminishing Musharakah amounting to Rs.457.200 million (2025: Rs.457.200 million) obtained by the Parent Company during September 2023 to December 2023 for purchase of plant and machinery. Principal is repayable alongwith profit in 20 equal quarterly installments, and expiring during September 2028 to December 2028 on their respective maturities. The applicable rate of profit is 3 months KIBOR+0.50% to 0.75%. These loans are secured by way of specific hypothecation charge over plant and machinery.		
	Balance as at start of the year	333,630	430,470
	Repayments during the year	(96,840)	(96,840)
	Balance as at end of the year	236,790	333,630
21.12	This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.33.528 million (2025: Rs.33.528 million) obtained by the Parent Company 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 year	31,852	27,280
	Loan obtained during the year	-	6,248
	Repayments during the year	(3,666)	(1,676)
	Balance as at end of the year	28,186	31,852
21.13	This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.100 million (2025: Rs.100 million) obtained by the Parent Company during May 2024 to June 2024 for procurement of plant & machinery (solar equipments). Principal is repayable alongwith profit in 20 equal half yearly installments, commencing after a grace period of three months and expiring in May 2034 on their respective maturities. The applicable rate of return is relevant SBP rate+4% bank profit. These loans are secured against the specific hypothecation charge over plant and machinery (solar equipments).		
	Balance as at start of the year	90,000	100,000
	Repayments during the year	(10,000)	(10,000)
	Balance as at end of the year	80,000	90,000
21.14	This represents Diminishing Musharakah amounting to Rs.242.643 million (2025: Rs.140.477 million) obtained by the Parent Company 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.		

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

(Rupees in Thousand)	
2026	2025
140,477	-
102,166	140,477
242,643	140,477

- 21.15** This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.681.320 million (2025: Rs.Nil) obtained by the Parent Company during June 2026 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal quarterly installments, commencing after a grace period of one year and expiring in June 2031 on their respective maturities. The applicable rate of return is 3% less SBP policy rate (the Exim Rate). These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Loan obtained during the year
Balance as at end of the year

681,320	-
681,320	-

- 21.16** This represents Diminishing Musharakah amounting to Rs.128 million (2025: Rs.Nil) obtained by the Subsidiary Company Messrs. Gatro Power (Private) Limited during January 2026 for purchase of plant and machinery (solar equipment). Principal is repayable alongwith profit in 18 equal quarterly installments, commencing after a grace period of six months and expiring in January 2031 on their respective maturities. The applicable rate of return is 3 months KIBOR + 1%. These loans are secured by way of exclusive hypothecation charge over specific plant and machinery.

Loan obtained during the year
Balance as at end of the year

128,000	-
128,000	-

22 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Balance as at start of the year
Effect of lease modification during the year
Accretion of interest
Payment of lease liabilities

94,988	122,769
(13,465)	(7,479)
11,479	14,366
(31,061)	(34,668)
61,941	94,988
(25,419)	(23,322)
36,522	71,666

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

Lease liabilities are payable as follows:

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

(Rupees in Thousand)			
2026		2025	
Minimum Lease Payments	Present Value of Lease Payments	Minimum Lease Payments	Present Value of Lease Payments
33,268	25,419	36,994	23,322
39,699	36,522	85,740	71,666
72,967	61,941	122,734	94,988
(11,026)	-	(27,746)	-
61,941	61,941	94,988	94,988
(25,419)	(25,419)	(23,322)	(23,322)
36,522	36,522	71,666	71,666

23 DEFERRED LIABILITIES AND INCOME

Deferred Liabilities

Deferred tax - net
Defined benefit plan
Provision for Gas Infrastructure Development Cess (GIDC)
Provision for Sindh Development & Maintenance of Infrastructure Cess (SDMIC)

Deferred income

Deferred Income - Government scheme

Note

(Rupees in Thousand)	
2026	2025
-	-
690,847	673,916
-	-
394,843	-
411,773	555,583
1,497,463	1,229,499

23.1 This comprises of the following major timing differences:

Taxable temporary difference arising due to:

tax depreciation allowances
right of use asset

Deductible temporary difference arising due to:

Impairment allowance for ECL
Impairment allowance for slow moving stores, spare parts and loose tools
Tax losses adjustable against future tax liability

Note

(Rupees in Thousand)
2026 2025

1,581,095	1,550,630
17,963	27,547
(76,758)	(62,808)
(40,290)	(38,006)
(1,482,010)	(1,477,363)
-	-

At the reporting date, deferred tax asset amounting to Rs.1,583.254 million (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.

23.2 Actuarial valuation of the plan was carried out as at June 30, 2026. The calculation for provision of defined benefit plan is as under:

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

Balance as at start of the year
Charge for the year
Remeasurement gain
Payments during the year
Balance as at end of the year

23.2.1

673,916	626,931
132,469	144,952
(46,188)	(56,494)
(69,350)	(41,473)
690,847	673,916

23.2.1 Charge for the year

Current service cost
Markup cost

54,298	60,085
78,171	84,867
132,469	144,952

Allocation are as follows:

Cost of Sales
Distribution and selling costs
Administrative expenses

32.1

33.1

34.1

70,328	73,890
5,716	6,029
56,425	65,033
132,469	144,952

The principal actuarial assumptions used were as follows:

Discount rate
Future salary increase rate
Withdrawal Rate
Mortality

12.25%	12.50%
12.25%	12.50%
Moderate	Moderate
Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005

Sensitivity Analysis

	2026		2025	
	PVDBO (Rupees in Thousand)	Percentage Change	PVDBO (Rupees in Thousand)	Percentage Change
Current Liability	690,847	-	673,916	-
+ 1% Discount Rate	659,548	(4.53%)	643,577	(4.50%)
- 1% Discount Rate	727,184	5.26%	709,123	5.22%
+ 1% Salary Increase Rate	730,264	5.71%	712,119	5.67%
- 1% Salary Increase Rate	656,462	(4.98%)	640,575	(4.94%)
+ 10% Withdrawal Rates	689,427	(0.21%)	672,532	(0.21%)
- 10% Withdrawal Rates	692,328	0.21%	675,360	0.21%
1 Year Mortality age set back	690,867	0.00%	673,936	0.00%
1 Year Mortality age set forward	690,827	(0.00%)	673,896	(0.00%)

Maturity profile

Year 1
Year 2
Year 3
Year 4
Year 5
Year 6 to 10
Year 11 and above

(Rupees in Thousand)	
2026	2025
Undiscounted payments	
194,703	205,303
25,021	26,235
15,042	15,378
36,748	38,580
31,087	32,596
124,857	130,658
453,789	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.

23.3 Provision for Gas Infrastructure Development Cess

Balance at start of the year
Remeasurement gain on discounting of provision for GIDC
Un-winding of long term provision for GIDC

Note

(Rupees in Thousand)	
2026	2025
814,887	814,658
-	(11,008)
-	11,237
814,887	814,887
(814,887)	(814,887)
-	-

Current portion of Gas Infrastructure Development Cess

28

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

As per judgement of the Honorable Supreme Court of Pakistan, the Group has filed a Civil Suit 1369/2020 before the Sindh High Court against payment of GIDC installments on the ground that the Group has not passed on the burden of Cess. The Honorable Court has granted stay order to Plaintiffs whereby the Messrs. Sui Southern Gas Company Limited has been restrained to take any coercive action against non payment of GIDC installments. The Group has recorded the provision at its present value by discounting the future cash flows at risk free rate.

23.4 Provision for Sindh Development & Maintenance of Infrastructure Cess (SDMIC)

Transferred from Trade and other payables - Provisions
Payment made during the year
Remeasurement gain on discounting of provision for SDMIC
Un-winding of long term provision for SDMIC

24.6.3

1,030,939	-
(154,641)	-
(344,013)	-
17,199	-
549,484	-
(154,641)	-
394,843	-

Current portion of Sindh Development & Maintenance of Infrastructure Cess

28

The Parent Company, subject to Sindh Development and maintenance of Infrastructure Cess (SDMIC) on imported goods. During the year, pursuant to the Sindh Development and maintenance of Infrastructure Cess (Amendment) Act, 2026, the Parent Company, entered into Settlement Agreements with the Government of Sindh for settlement of the outstanding SDMIC obligations.

Under the Settlement Agreement, the Parent Company, opted to settle the outstanding liability through installments in accordance with the agreed payment plan and issued post-dated cheques as required thereunder. Accordingly, the liability has been measured at the present value of future payments, discounted using an effective rate of 11.52% per annum.

The present value of the liability as per their respective agreement date amount to PKR 686.926 million. The resulting gain arising on initial recognition of the discounted liability amounted to PKR 344.013 million has been recognised in other income (Note 36).

23.5 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 21.3, 21.4, 21.6 & 21.10 to these consolidated financial statements. ITERF scheme is a 'temporary' relief measure taken by the State Bank of Pakistan (SBP) in context of COVID-19 related economic situation and with the objective to provide stimulus to the economy across the board by supporting new investment and BMR of the existing projects in the country. The difference between the fair value of these loans and proceeds received is recorded as Deferred income - Government scheme and the reconciliation of carrying amount is as follows:

	Note	(Rupees in Thousand)	
		2026	2025
Opening balance		716,751	884,007
Amortization of government scheme		(158,289)	(167,256)
		558,462	716,751
Current portion of government scheme	28	(146,689)	(161,168)
		411,773	555,583

24 TRADE AND OTHER PAYABLES

Trade creditors	24.1	1,745,954	1,494,461
Bills payable	24.2	388,340	995,241
Accrued expenses	24.3	393,640	278,310
Advance payments from customers	24.4	782,317	595,519
Security deposits from contractors	24.5	680	1,605
Workers' Welfare Fund		96	96
Provisions - various	24.6	1,053,967	1,749,802
Withholding taxes		16,232	25,680
Payable to Provident Fund Trusts		1,374	1,345
Other liabilities	24.7	108,181	115,241
		4,490,781	5,257,300

24.1 These includes related parties balances are as follows:

a) Rs.311.307 million (2025: Rs.38.425 million) payable to a related party Messrs. Novatex Limited.

b) Rs.654.753 million (2025: Rs.643.305 million) payable to a related party Messrs. Lotte Chemical Pakistan Limited.

24.2 These include balances payable in foreign currency of US\$ 1.394 million (2025: US\$ 3.454 million and Euro:0.042 million).

24.3 These includes related parties balances are as follows:

a) Rs.1.632 million (2025: Rs.6.689 million) payable to a related party Messrs. Novatex Limited on account of reimbursement of expenses.

b) Rs.Nil (2025: Rs.0.102 million) payable to a related party Messrs. G-Pac Corporation on account of reimbursement of expenses.

c) Rs.0.803 million (2025: Rs.0.676 million) payable to a related party Messrs. Mustaqim Dyeing & Printing Ind (Private) Limited.

24.4 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.

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

24.6 Provisions for:

Enhanced gas rate	24.6.1 & 24.6.2	447,171	447,171
Infrastructure Cess on imports	24.6.3	24,775	879,634
Sales tax	24.6.4	284,715	284,715
Others	24.6.5	6,786	6,786
Gas levy	24.6.6	290,520	131,496
		1,053,967	1,749,802

24.6.1 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 (2025: Rs.316.797 million). As an abundant precaution, the Group has made total provision of Rs.159.264 million (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.

24.6.2 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 24.6.1). As an abundant precaution, the Group has made provision of Rs.287.907 million (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.

24.6.3 Movement is as under:

Balance as at start of the year		879,634	716,117
Provision made during the year		176,080	163,517
Transferred to non-current liabilities	23.4	(1,030,939)	-
Balance as at end of the year		24,775	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. The Parent Company has provided bank guarantee amounting to Rs.Nil (2025: Rs.878.365 million) in favor of Excise and Taxation Department, in respect of consignments cleared after December 27, 2006 (refer note 30.2). Full provision after December 27, 2006 has been made in these consolidated financial statements as an abundant precaution. The Sindh Development and Maintenance of Infrastructure (Amendment) Act, 2026 has been promulgated, pursuant to which the Parent Company entered into a Settlement Agreement with the Excise & Taxation Department in April 2026. In terms of the settlement, the Parent Company has filed an application for withdrawal of its appeal pending before the Federal Constitutional Court of Pakistan (FCCP). Furthermore, the CESS rate has been reduced to 0.85%, and the outstanding liability is to be settled by payment of 15% upfront through pay order, with the remaining balance to be discharged through post-dated cheques in accordance with an agreed schedule of up to 50 instalments.

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 (2025: Rs.32.500 million) in favor of Excise and Taxation Department, in respect of consignments cleared after April 13, 2018 (refer note 30.2). Full provision after April 13, 2018 has been made in these consolidated financial statements as an abundant precaution.

The Subsidiary Company Messrs. G-Pac Energy (Private) Limited has filed a petition in the Honorable Sindh High Court at Karachi on June 24, 2019 against Province of Sindh and others challenging the levy of Infrastructure Cess on imports by the Government of Sindh through Sindh Development and Maintenance of Infrastructure Cess Act, 2017. Stay has been granted by the Honorable Sindh High Court ordered to pay 50% in cash of this liability and to submit bank guarantee for the rest of 50% until the final order is passed. On June 04, 2021, the Honorable Sindh High Court has passed the judgment in favor of the Government. The Subsidiary Company has filed an appeal bearing CP. No. 4543/2021 in Honorable Supreme Court of Pakistan against the judgment. The Honorable Supreme Court of Pakistan, vide interim order dated September 01, 2021, has suspended the operation of the impugned judgement of the Honorable Sindh High Court and has further directed the Custom Authorities to release consignments on the basis of bank guarantee equivalent to the amount of levy claimed by the Excise and Taxation Department. Till reporting date, the Subsidiary Company has provided bank guarantee amounting to Rs.3.000 million (2025: Rs.3.000 million) in favor of Excise and Taxation Department, in respect of consignments cleared (refer note 30.2). Full provision has been made in these consolidated financial statements as an abundant precaution.

- 24.6.4** 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.
- 24.6.5** This represents provision of Gas Infrastructure Development Cess amounting to Rs.4.131 million (2025: Rs.4.131 million) and rate difference of gas tariff Rs.2.655 million (2025: Rs.2.655 million) on account of common expenses payable by the Parent Company to a related party Messrs. Novatex Limited.
- 24.6.6** 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. Subsequently, on the advice of legal counsel, the proceedings pending before the FCC were withdrawn, and Writ Petition No. 1315 of 2026 was filed before the Honorable Islamabad High Court on 16.03.2026. Pursuant to the Order dated 17.03.2026, the Honorable Islamabad High Court granted interim relief in favor of the Company. The matter is currently pending adjudication before the Honorable Islamabad High Court.

24.7 These include Rs.66.614 million (2025: Rs.69.042 million) received from employees under Group car policy.

25 UNPAID DIVIDEND

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

	Note	(Rupees in Thousand)	
		2026	2025
26 ACCRUED MARK UP/PROFIT			
Profit on long term financing		392,011	320,767
Mark up/profit on short term borrowings		99,816	159,336
		491,827	480,103
27 SHORT TERM BORROWINGS - Secured			
From banking companies under mark up/profit arrangements			
Running finance - Under Conventional		116,064	763,716
- Under Shariah compliant		4,562,805	5,838,058
		4,678,869	6,601,774
Short term finance - Under Shariah compliant		449,982	157,434
Loan under EXIM Bank financing - Murahaba	27.2	790,415	-
Export re-finance - Under Shariah compliant		150,000	150,000
	27.1	6,069,266	6,909,208
27.1 The Parent Company has aggregate facilities of short term borrowings amounting to Rs.14,580 million (2025: Rs.13,594 million) from various commercial banks (as listed in Note 27.4) out of which Rs.8,511 million (2025: Rs.6,685 million) remained unutilized at the year end. The mark up/profit rates during the year for running finance and Musharakah ranges between 10.79% to 12.53%, for short term finance 11.08% to 12.49%, for Loan under EXIM Bank financing 8.50% and for export refinance 4.50% to 8.00% per annum. These facilities are renewable annually at respective maturities.			
27.2 This represents balances payable in foreign currency of US\$ 2.838 million (2025: US\$ Nil).			
27.3 These arrangements are secured against pari passu hypothecation charge on the stock and book debts of the Parent Company.			
27.4 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.			
28 CURRENT PORTION OF DEFERRED LIABILITIES AND INCOME			
Gas Infrastructure Development Cess	23.3	814,887	814,887
Sindh Development & Maintenance of Infrastructure Cess (SDMIC)	23.4	154,641	-
Deferred Income - Government scheme	23.5	146,689	161,168
		1,116,217	976,055
29 PROVISION FOR LEVIES AND INCOME TAX LESS PAYMENTS			
Balance as at start of the year		267,566	200,330
Provision - Current		375,818	338,103
- Prior		(10,094)	2,396
		365,724	340,499
		633,290	540,829
Payments		(392,437)	(332,457)
Adjustment of income tax refund against tax liability		(43,169)	59,194
		(435,606)	(273,263)
Balance as at end of the year		197,684	267,566
30 CONTINGENCIES AND COMMITMENTS			
30.1 Contingencies			
30.1.1 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.			

- 30.1.2** 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.

Furthermore, the Honorable Special Judge (Customs, Taxation & Anti-Smuggling), Karachi has also directed vide its order dated August 17, 2026 to release the security amount/cheques deposited by the Parent Company and process the same in accordance with the law along with the posted dated cheques submitted by the Parent Company.

- 30.1.3** 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.

- 30.1.4** 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
- 30.1.5** The Parent Company filed four appeals on 2nd, 9th, 17th May and 20th June 2018 before the Commissioner Inland Revenue (Appeals) (CIR(A)) – 2, Large Taxpayers Unit, Karachi for the tax periods July 2012 to December 31, 2016 against the assessment orders by the Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, passed under section 11 (2) of the Sales Tax Act, 1990 through which cumulative demand for the aforesaid periods amounting to Rs.55.423 million excluding default surcharge was created. In the assessment orders, major areas on which impugned demand has been raised relates to disallowance of input tax on purchases and recovery of sales tax on sales to subsequently suspended / blacklisted persons. The Parent Company has already deposited Rs.28 million under protest into the Government Treasury for stay against the full recovery (refer note 15). The CIR(A) has issued judgment in respect of impugned order for tax periods July 2012 to June 2013 wherein the entire order of the Tax Officer has been held as illegal and unconstitutional. However, the Tax Department has been filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). The CIR(A) has decided the matter for tax periods July 2013 to June 2014, July 2014 to June 2015 and July 2015 to December 2016 wherein the case has been partially decided in favor for the Parent Company. However, the Parent Company has filed appeals before the ATIR dated:30-03-2020, 07-04-2020 & 18-08-2020 against orders passed by CIR(A). No provision has been made in these consolidated financial statements as the Parent Company is confident that the matter will be decided in favor by the appellate authorities.
- 30.1.6** 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.

- 30.1.7** 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.
- 30.1.8** The Tax Officer alleged the Parent Company for charging sales tax at reduced rate instead of standard rate of 17% during the tax periods from July 2014 to June 2015 and raised the demand of Rs.1.741 million along with penalty of Rs.0.087 million. The Parent Company has filed an appeal before CIR(A) against order of the Tax Department on the ground that reduced rate was applicable to customers as those customers were active and operative at the time of execution of sales transaction. Moreover, the Tax Department has adjusted the impugned demand with sales tax refunds available with the Parent Company. Appeal was decided in favor of the Parent Company. Tax Department has issued an appeal effect order in line with aforementioned CIR(A) order resulting in refund of Rs.1.828 million for which refund application has been filed. Tax Department has filed an appeal before ATIR dated 28-Oct-2019 against CIR(A) order. Based on the merits of the case and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Parent Company. No provision has been made in these consolidated financial statements.
- 30.1.9** 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.
- 30.1.10** 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.
- 30.1.11** 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 (2025: Rs.15.351 million), refer note 30.2. Moreover, through Finance Act, 2020 this levy has been withdrawn from manufacturer w.e.f. July 01, 2020.
- 30.1.12** The Parent Company had filed a petition no. CP D-573 dated January 26, 2019 before the Honorable Sindh High Court wherein the Parent Company had challenged the levy and collection of further sales tax on zero rated supplies imposed vide SRO 584(I)/2017 read with section 3(1A) and section 4 of the Sales Tax Act, 1990. The case has been decided by the Honorable Sindh High Court in favor of the Parent Company. The Tax Department has filed an appeal dated Mar 22, 2021 before the Honorable Supreme Court of Pakistan against the judgment of the Honorable Sindh High Court. Based on the merits of the case, the management is confident that the case will be decided in favor of the Parent Company, however, on a prudent basis Rs.40.395 million has been provided in these consolidated financial statements.
- 30.1.13** Income tax return for tax year 2019 has been amended by the DCIR vide order dated June 29, 2020 creating tax demand of Rs.1.594 million while abolishing refund of Rs.35.819 million as claimed in ITR 2019 against which the 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.
- 30.1.14** Through Finance Act, 2019, section 65B of the Income Tax Ordinance, 2001 was amended to disallow credit on investment in plant & machinery from tax year 2020 and onwards. Consequently, the tax credit in respect of LCs opened on or before 30th June 2019 was also disallowed amounting to Rs.105.230 million. The 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.

- 30.1.15** The Tax Officer alleged the Parent Company for fake transaction with suspended customer during the tax periods from December 2018 to June 2019 and raised the demand of Rs.1.711 million along with 100% penalty, aggregated demand of Rs.3.421 million. The Parent Company has paid 10% of demand for auto stay from recovery Rs.0.342 million (refer note 15). CIR(A) has decided the case in favour of Parent Company. The Tax Department has filed an appeal before ATIR against the said judgment. No provision has been made in these consolidated financial statements.
- 30.1.16** Tax Department issued notices thereby disallowing adjustment of Workers Welfare Fund (WWF) against income tax refund of tax year 2018, 2019 and 2020 amounting Rs.16.216 million, Rs.20.373 and Rs.3.022 million respectively. The Parent Company filed petitions against the said notices before the Honorable Sindh High Court vide CP no. D-5247 of 2021, which has been decided in favour of the Parent Company. However, Tax Department has filed an appeal dated January 24, 2022 before the Honorable Supreme Court of Pakistan. Based on the merits of the case, the management is confident that the case will be decided in favor of the Parent Company. However, full liability of WWF has been provided in respective years consolidated financial statements.
- 30.1.17** Tax Department has raised demand of Rs.21.294 million on the basis of sales tax audit for the tax periods from July 2017 to June 2018. The Parent Company has filed an appeal before the CIR(A). The Parent Company has paid 10% of demand for auto stay from recovery Rs.2.130 million (refer note 15). The CIR(A) has decided the case partially in favor of the Parent Company and partially in favor of Tax Department. The order contains significant errors for which Parent Company has filed rectification application before CIRA.
- 30.1.18** The Tax Department disallowed expenses of Rs.45.6 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2016. However, no income tax demand was raised owing to taxable losses both before and after amendment of assessment proceedings. The 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.
- 30.1.19** 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.
- 30.1.20** 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.
- 30.1.21** 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.

In addition to above, certain contingent liabilities do not have material impact on the financial statements and the management is confident that the cases will be decided in favour of the Group.

	Note	(Rupees in Thousand)	
		2026	2025
30.2 Guarantees			
Bank Guarantees in favour of:			
The Director Excise & Taxation, Karachi	24.6.3	35,500	913,865
The Electric Inspector, President Licencing Board, Quetta		10	10
Pakistan State Oil Company Limited		57,000	41,500
K-Electric Limited		21,675	18,496
Nazir of the High Court of Sindh, Karachi	30.1.11	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
		2,086,016	2,561,702

30.3 Commitments

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

	Note	(Rupees in Thousand)	
		2026	2025
Foreign currency:			
Property, plant and equipment		57,381	399,047
Raw and packing material		119,543	1,051,555
Spare parts and others		31,334	55,752
		208,258	1,506,354
Local currency:			
Property, plant and equipment		-	2,366
Raw material		924,134	-
		924,134	2,366
Post dated cheques issued against settlement of Sindh Development and Maintenance of Infrastructure Cess (SDMIC)		876,298	-
		2,008,690	1,508,720

31 SALES

Gross local sales		30,892,059	26,438,717
Processing charges		4,212,740	4,123,067
		35,104,799	30,561,784
Less: Sales tax		5,365,349	4,670,300
		29,739,450	25,891,484
Export sales		407,527	436,556
		30,146,977	26,328,040

32 COST OF SALES

Raw and packing material consumed		17,950,798	15,641,914
Stores, spare parts and loose tools consumed		631,881	853,002
Outsource processing charges		229,801	-
Salaries, wages, allowances and benefits	32.1	1,956,501	2,134,272
Power, fuel and gas		4,736,296	5,306,916
Rent, rates and taxes		4,356	12,579
Insurance		221,243	259,675
Cartage and transportation		253,486	245,065
Repairs and maintenance		73,479	111,496
Communications and Computer		3,172	3,405
Water supply		2,730	18,023
Travelling		5,468	10,228
Sundry expense		52,273	45,958
Depreciation	5.2	2,017,647	1,692,497
Amortization of intangible asset	6.1	309	-
		28,139,440	26,335,030
Scrap sales	32.2	(51,548)	(202,169)
		28,087,892	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		(633,419)	(1,993,722)
Closing stock of unfinished goods held for sale		-	(1,206)
		29,449,401	25,562,978
Cost of goods manufactured		3,893,080	3,818,775
Opening stock of finished goods		(4,708,052)	(3,893,080)
Closing stock of finished goods		28,634,429	25,488,673

32.1 These include Rs.7.872 million (2025: Rs.7.094 million) and Rs.70.328 million (2025: Rs.73.890 million) respectively, representing contribution to defined contribution plan by the Group and expenditure on defined benefit plan.

32.2 Net off sales tax amounting to Rs.11.019 million (2025: Rs.40.730 million).

		Note	(Rupees in Thousand)	
			2026	2025
33	DISTRIBUTION AND SELLING COSTS			
	Salaries, wages, allowances and benefits	33.1	75,737	68,330
	Insurance		2,928	2,549
	Rent, rates and taxes		14,850	17,515
	Handling, freight and transportation		187,191	315,708
	Advertisement and sales promotion		275	292
	Communications		1,064	869
	Travelling		1,062	2,225
	Legal and professional fee		1,386	-
	Sundry expense		23,053	27,512
	Depreciation	5.2	3,607	2,749
	Depreciation right of use assets	5.6.1	8,368	8,368
			319,521	446,117
33.1	These include Rs.5.716 million (2025: Rs.6.029 million) representing expenditure on defined benefit plan.			
34	ADMINISTRATIVE EXPENSES			
	Salaries, wages, allowances and benefits	34.1	426,677	361,665
	Rent, rates and taxes		1,250	4,220
	Insurance		7,861	9,197
	Repairs and maintenance		8,559	2,971
	Travelling		5,571	5,498
	Communications		7,949	8,901
	Legal and professional fees		5,772	13,535
	Utilities		9,351	15,608
	Printing and stationery		731	879
	Transportation		23,508	21,421
	Sundry expense		9,106	23,056
	Depreciation	5.2	8,762	9,098
	Depreciation right of use assets	5.6.1	11,783	16,271
	Amortization of intangible asset	6.1	10,025	10,025
			536,905	502,345
34.1	These include Rs.56.425 million (2025: Rs.65.033 million) representing expenditure on defined benefit plan.			
35	OTHER EXPENSES			
	Impairment allowance for ECL - net	11.5	48,101	45,761
	Impairment allowance for slow moving stores, spare parts and loose tools - net	9.1	8,869	21,411
	Exchange loss - net		-	44,321
	Auditors' remuneration	35.1	5,505	9,608
			62,475	121,101
35.1	Auditors' remuneration			
	Audit fee - Annual financial statements			
	Parent Company - Gatron (Industries) Limited		3,600	3,200
	Subsidiary Company - Gatro Power (Private) Limited		900	800
	Subsidiary Company - Global Synthetics Limited		22	22
	Subsidiary Company - G-Pac Energy (Private) Limited		175	175
	Audit fee - Special purpose financial statements			
	Parent Company - Gatron (Industries) Limited		-	2,750
	Subsidiary Company - Gatro Power (Private) Limited		-	800
	Subsidiary Company - Global Synthetics Limited		-	23
	Subsidiary Company - G-Pac Energy (Private) Limited		-	25
	Audit fee - Special purpose consolidated financial statements		-	200
	Limited review, audit of annual consolidated financial statements and certification fee		460	435
	Sindh Sales Tax on services		-	675
	Out of pocket expenses		348	503
			5,505	9,608

		Note	(Rupees in Thousand)	
			2026	2025
36	OTHER INCOME			
	Income from financial assets			
	Profit on deposits		27,112	36,170
	Income from non - financial assets & others			
	Gain on disposal of property, plant and equipment	5.3	26,559	23,758
	Liabilities no more payable written back		31,960	7,369
	Amortization of Government Scheme		158,289	24,378
	Exchange gain - net		41,629	-
	Remeasurement gain on discounting of provision for GIDC	23.3	-	11,008
	Remeasurement gain on discounting of provision for SDMIC	23.4	344,013	-
	Miscellaneous income		2,767	4,227
			605,217	70,740
			632,329	106,910
37	FINANCE COST			
	Profit on long term financing		797,478	828,485
	Interest on lease liability against right of use assets		11,479	14,366
	Mark up/profit on short term borrowings		520,313	690,624
	Un-winding of long term provision for GIDC	23.3	-	11,237
	Un-winding of long term provision for SDMIC	23.4	17,199	-
	Bank charges and guarantee commission		10,129	6,184
			1,356,598	1,550,896
38	LEVIES			
	Final tax - prior year		-	1,833
	Minimum tax		375,818	328,009
		39.1	375,818	329,842
38.1	This represent final tax under section 113 and 154 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.			
39	INCOME TAX			
	For the current year		-	10,094
	For the prior year		(10,094)	563
		39.1	(10,094)	10,657
39.1	The Group is subject to Minimum Tax/Levies under section 113 and 154 of the Income Tax Ordinance 2001 for local and export sales. Accordingly, the relationship between tax expense accounting profit has not been presented in these consolidated financial statement.			
40	LOSS PER SHARE - BASIC AND DILUTED			
	Loss for the year		(496,346)	(2,014,681)
			(Number of Shares)	
	Weighted average number of Ordinary Shares in issue during the year		108,728,960	108,728,960
			(Rupees)	
	Loss per share - Basic and diluted		(4.56)	(18.53)
40.1	There is no dilutive effect on the basic loss per share of the Group.			
41	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	17	165,033	132,179
	Short term borrowings - Running finance	27	(4,678,869)	(6,601,774)
			(4,513,836)	(6,469,595)

Financial assets as per statement of financial position**- Measured at amortized cost**

Loans and advances	29,728	25,539
Deposits	7,136	15,501
Trade debts	3,626,107	4,662,811
Other receivables	64,443	120,488
Short term investment	350,000	-
Cash and bank balances	165,033	132,179
	4,242,447	4,956,518

Financial liabilities as per statement of financial position**- Measured at amortized cost**

Long term financing	8,757,093	9,116,830
Lease liability against right of use assets	61,941	94,988
Trade and other payables	2,571,555	2,817,161
Unclaimed dividend	775	853
Unpaid dividend	20,801	20,801
Accrued mark up/profit	491,827	480,103
Short term borrowings	6,069,266	6,909,208
	17,973,258	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.

42.1 MEASUREMENT OF FAIR VALUE

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

- Level 1 Inputs are the quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.
- Level 2 Inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable inputs for the asset or liability.

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

42.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

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

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

42.2.1 Market Risk**A Foreign exchange risk**

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

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

Trade creditors
Bills Payable
Loan under EXIM Bank financing - Murahaba

(Rupees in Thousand)	
2026	2025
187,177	179,786
388,340	995,241
790,415	-
1,365,932	1,175,027
(62,879)	(60,777)
(42,676)	(106,956)
(24,426)	(36,865)
(129,981)	(204,598)
1,235,951	970,429
208,258	1,506,354
1,444,209	2,476,783

Trade Debts
Receivable from suppliers
Cash at bank in foreign currency accounts

Commitments - Outstanding letters of credit
Net exposure

The following significant exchange rates have been applied:

Buying

USD to PKR
Euro to PKR

Selling

USD to PKR
Euro to PKR

Rupees			
Average rate		Reporting date rate	
2026	2025	2026	2025
279.86	278.85	278.05	283.60
325.82	303.38	316.92	332.29
280.36	279.35	278.55	284.10
326.40	303.97	317.51	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.

Effect on statement of profit or loss

USD to PKR
Euro to PKR

(Rupees in Thousand)			
Average rate		Reporting date rate	
2026	2025	2026	2025
143,971	238,406	143,042	242,477
1,418	4,752	1,379	5,202
145,389	243,158	144,421	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 Group has borrowings at variable rates. At the reporting date, the interest profile of the Group interest-bearing financial instrument is:

Financial Assets

Variable rate instruments

Short term investment
Bank balance

Financial Liabilities

Variable rate instruments

Long term financing
Short term borrowings

2026		2025	
Effective rate (in %)		(Rupees in Thousand)	
		2026	2025
		Carrying amount	
9.80 - 10.00	-	350,000	-
4.50 - 7.10	5.00 - 19.26	787	1,711
10.46 - 22.25	11.73 - 22.25	(4,192,123)	(4,540,597)
4.50 - 12.53	8.40 - 22.52	(6,069,266)	(6,909,208)
		(9,910,602)	(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 June 30, 2026		
Cash flow sensitivity - Variable rate	<u>(99,106)</u>	<u>99,106</u>
As at June 30, 2025		
Cash flow sensitivity - Variable rate	<u>(114,481)</u>	<u>114,481</u>

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

Fair value sensitivity analysis for fixed rate instruments

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

42.2.2 Credit risk

Credit risk represents the risk that one party to financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Parent Company manages credit risk interalia by setting credit limits in relation to individual customers and by obtaining advance against sales and also obtains collaterals, where considered necessary. Also the Parent Company does not have significant exposure in relation to individual customer. Consequently, the Group believes that it is not exposed to any major concentration of credit risk.

Exposure to credit

The carrying amount of the financial assets represent the maximum credit exposure before any credit enhancements. Out of total financial assets of Rs.4,242.447 million (2025: Rs.4,956.518 million), financial assets of Rs.4,241.261 million (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)	
	2026	2025
Loans and advances	29,728	25,539
Deposits	7,136	15,501
Trade debts	3,626,107	4,662,811
Other receivables	64,443	120,488
	3,690,550	4,783,299
Short term investment	350,000	-
Bank balances	163,847	129,451
	<u>4,241,261</u>	<u>4,953,790</u>

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	745,285	1,558,335
Past due 1-30 days	1,257,759	1,409,991
Past due 31-90 days	1,028,706	959,941
Past due 91-180 days	321,736	293,325
Past due 180 days	601,746	778,288
	3,955,232	4,999,880
Allowance for ECL - local	(264,682)	(216,581)
	<u>3,690,550</u>	<u>4,783,299</u>

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

Banks	Rating Agency	Rating		(Rupees in Thousand)	
		Short term	Long term	2026	2025
Askari Bank Limited	PACRA	A-1+	AA+	40	45
Bank Al-Falah Limited	PACRA	A-1+	AAA	34,015	23,522
Bank Al-Habib Limited	PACRA	A-1+	AAA	6,380	5,224
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	1,126	2,480
Faysal Bank Limited	PACRA	A-1+	AA	467	5,156
Habib Bank Limited	VIS	A-1+	AAA	6,659	1,295
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	50,174	51,331
MCB Bank Limited	PACRA	A-1+	AAA	5,939	6,459
MCB Islamic Bank Limited	PACRA	A-1	A+	882	277
Meezan Bank Limited	VIS	A-1+	AAA	50,467	25,879
National Bank of Pakistan	PACRA	A-1+	AAA	4,905	2,208
Soneri Bank Limited	PACRA	A-1+	AA-	455	559
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA	1,469	4,403
The Bank of Punjab	PACRA	A-1+	AA+	184	136
United Bank Limited	VIS	A-1+	AAA	685	477
				163,847	129,451

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

42.2.3 Liquidity risk

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

The Parent Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At June 30, 2026, the Parent Company has Rs.14,580 million available borrowing limit from financial institutions. The Parent Company has unutilized borrowing facilities of Rs.8,511 million in addition to balances at banks of Rs.164 million. Based on the above, management believes the liquidity risk to be insignificant. The following are the contractual maturities of financial liabilities, including interest/mark up payments.

	(Rupees in Thousand)						
	Carrying Amount	Contractual Cash Flow	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
2026							
Long term financing	8,757,093	11,349,411	1,360,904	1,102,965	2,307,969	4,984,462	1,593,111
Lease liability against right of use assets	61,941	72,967	16,467	16,801	35,651	4,048	-
Trade and other payables	2,571,555	2,571,555	2,571,555	-	-	-	-
Unclaimed dividend	775	775	775	-	-	-	-
Unpaid dividend	20,801	20,801	20,801	-	-	-	-
Accrued mark up/profit	491,827	491,827	491,827	-	-	-	-
Short term borrowings	6,069,266	6,243,582	6,243,582	-	-	-	-
	17,973,258	20,750,918	10,705,911	1,119,766	2,343,620	4,988,510	1,593,111
2025							
Long term financing	9,116,830	11,223,530	929,048	1,309,684	3,145,484	5,531,001	308,313
Lease liability against right of use assets	94,988	123,748	18,244	18,649	39,387	47,468	-
Trade and other payables	2,817,161	2,817,161	2,817,161	-	-	-	-
Unclaimed dividend	853	853	853	-	-	-	-
Unpaid dividend	20,801	20,801	20,801	-	-	-	-
Accrued mark up/profit	480,103	480,103	480,103	-	-	-	-
Short term borrowings	6,909,208	7,107,948	7,107,948	-	-	-	-
	19,439,944	21,774,144	11,374,158	1,328,333	3,184,871	5,578,469	308,313

42.3 CAPITAL RISK MANAGEMENT

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

The gearing ratio as at June 30, 2026 and June 30, 2025 were as follows:

	(Rupees in Thousand)	
	2026	2025
Total borrowings	14,826,359	16,026,038
Cash and bank balances	(165,033)	(132,179)
Net debt	14,661,326	15,893,859
Total equity	12,398,771	12,848,929
Total capital	27,060,097	28,742,788
Gearing ratio	54%	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.

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

	(Rupees in Thousand)				
	2026				
	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	(1,429,512)	-	-	-	(1,429,512)
Proceeds from long term loan	911,486	-	-	-	911,486
Effect of lease modification during the year	-	-	-	(13,465)	(13,465)
Lease rentals paid	-	-	-	(31,061)	(31,061)
Accretion of interest	-	-	-	11,479	11,479
Dividend paid	-	-	(78)	-	(78)
Total changes from financing activities	(518,026)	-	(78)	(33,047)	(551,151)
Other changes	(71,244)	59,520	-	-	(11,724)
Interest expense	797,478	520,313	-	11,479	1,329,270
Interest paid	(726,234)	(579,833)	-	(11,479)	(1,317,546)
Deferred government grant recognized	158,289	-	-	-	158,289
Changes in short term borrowings	-	(839,942)	-	-	(839,942)
Total loan related other changes	158,289	(839,942)	-	-	(681,653)
Total equity related other changes	-	-	-	-	-
Balance as at June 30, 2026	8,757,093	6,069,266	21,576	61,941	14,909,876
	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

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

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Particulars	Chief Executive		Directors		Executives		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Managerial remuneration	14,148	14,148	9,036	9,036	573,133	572,612	596,317	595,796
Post Employment benefits	6,963	7,874	1,586	1,724	66,887	63,907	75,436	73,505
Other benefits	-	-	-	-	98,722	87,257	98,722	87,257
Reimbursement	-	16	-	13	215	10,140	215	10,169
	21,111	22,038	10,622	10,773	738,957	733,916	770,690	766,727

Number of persons for remuneration	1	1	1	1	188	179	190	181
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- 43.1** Aggregate amount of meeting fee to Nil (2025: 7 non-executive Directors) was Rs.Nil (2025: Rs.1.600 million).
- 43.2** In addition, the Chief Executive and working directors are provided with Company maintained car and certain executives are provided with household furniture and cars under Group policies, the monetary impact where of is not quantifiable.
- 43.3** During the year, a related party Messrs. Novatex Limited reimbursed Rs.124.285 million (2025: Rs.188.724 million) in respect of shared resources of certain directors and executives.

44 SEGMENT REPORTING

44.1 Reportable segments

The Group's reportable segments are as follows:

- Polyester Filament Yarn - it comprises manufacturing of Polyester Filament Yarn and its raw material.
- Polyester PET Preform - it comprises manufacturing of Polyester PET Preform and its raw material. This includes the results of Subsidiary Company Messrs. Global Synthetics Limited, which has not yet commenced its operations till date.
- Electric Power generation - it comprises operations of Subsidiary Companies Messrs. Gatro Power (Private) Limited and Messrs. G-Pac Energy (Private) Limited.

Other expenses, other income, finance cost and taxation are managed at Group level.

44.2 Segment results:

The segment information for the reportable segments for the year ended June 30, 2026 is as follows:

	2026				2025				(Rupees in Thousand)	
	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	24,785,691	5,361,286	30,146,977	3,409,936	33,556,913	23,523,990	2,804,050	26,328,040	4,082,373	30,410,413
Segment result before depreciation	1,362,362	1,312,335	2,674,697	11,441	2,686,138	597,703	872,724	1,470,427	124,822	1,595,249
Less: Depreciation on property, plant and equipment	(1,712,108)	(96,513)	(1,808,621)	(221,395)	(2,030,016)	(1,455,235)	(61,565)	(1,516,800)	(187,544)	(1,704,344)
Segment result after depreciation	(349,746)	1,215,822	866,076	(209,954)	656,122	(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					33,556,913					30,410,413
Elimination of inter-segment sales from subsidiary companies					(3,409,936)					(4,082,373)
Sales					30,146,977					26,328,040
Total results for reportable segments			866,076	(209,954)	656,122			(46,373)	(62,722)	(109,095)
Other expenses			(129,919)	(1,968)	(131,887)			(166,837)	(8,135)	(174,972)
Other income			661,607	8,622	670,229			111,710	44,641	156,351
Finance cost			(1,346,652)	(47,846)	(1,394,498)			(1,539,267)	(61,070)	(1,600,337)
Elimination of intra group transaction			51,112	(251,146)	(200,034)			(1,640,767)	(87,286)	(1,728,053)
Loss before levies and income tax					69,412					53,871
					(130,622)					(1,674,182)

44.3 All non-current assets of the Group as at June 30, 2026 are located in Pakistan. Parent Company's local sales represents sales to various external customers in Pakistan whereas export sales represents sales to customers in United State of America and Europe.

44.4 Revenue from major customer individually accounting for more than 10% of the Group's revenue was Rs.5,610.581 million (2025 Rs.4,511.958 million).

45 PLANT CAPACITY AND ACTUAL PRODUCTION

	Note	(Metric Tons)	
		2026	2025
Polyester Filament Yarn	45.1		
Annual capacity-75 denier		51,044	51,044
Annual capacity-150 denier		101,324	101,324
Actual production		47,550	47,424
Polyester P.E.T. Preforms	45.2		
Annual capacity-27 gms		31,512	31,512
Actual production		20,691	18,808
Knitted Fabrics	45.3		
Annual capacity		1,636	1,636
Actual production		806	871
Electric Power	45.4		
Annual operating capacity		305,194	319,392
Actual production		94,781	114,382

- 45.1** The capacity is determined based on 75 denier and 24 filaments/150 denier and 48 filaments. Actual production represents production of various deniers.
- 45.2** The capacity is determined based on 27 gms production. Actual production represents production of various grammage. The actual production versus annual capacity is lower on account of the Parent Company is lacking the sizes of preforms, which are in demand. The actual production of preforms (various grammage) in pieces was 870.092 million (2025: 739.278 million) against annual capacity (based on 27 gms) of 1,167 million pieces.
- 45.3** The actual production versus annual capacity is lower on account of market demand of the Parent Company's product, moreover the production is increasing gradually.
- 45.4** The actual production versus annual capacity is lower on account of plant operations of Subsidiary Company Messrs. Annual capacity includes capacities of standby gas generators and requirement of well optimum running load on gas engines.

46 TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand)	
				2026	2025
Novatex Limited	Related Party	Common directorship	Sales of goods and other material	2,118,045	1,102,112
			Rendering of services	3,492,763	3,442,098
			Purchase of raw and other material	432,732	1,610,746
			Obtaining of services	212,375	-
			Sale of property, plant and equipment	600	-
			Rent	17,982	22,777
			Reimbursement of expenses	501,326	328,514
G-Pac Corporation	Related Party	Common directorship	Sale of goods	395,295	207,096
			Reimbursement of expenses	-	101
Ghani & Tayub (Private) Limited	Related Party	Common directorship	Rent	8,200	7,800
Mustaqim Dyeing & Printing Ind (Private) Limited	Related Party	Common directorship	Sales of goods and other material	131,773	222,540
			Rendering of services	57,984	37,354
			Purchase of other material	14	-
			Reimbursement of expenses	127	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)	
				2026	2025
Krystopac Energy (Private) Limited	Related Party	Common directorship	Reimbursement of expenses	1,138	-
Lotte Chemical Pakistan Limited	Related Party	Common directorship	Purchase of raw material	6,652,623	4,836,279
Krystalite Product (Private) Limited	Related Party	Common directorship	Sales of goods and other material	5	5,001
			Reimbursement of expenses	10,848	1,656
Nova Mobility (Private) Limited	Related Party	Common directorship	Purchase of other material	-	32
			Purchase of property, plant & equipment	5,154	-
			Reimbursement of expenses	1,912	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	7,872	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 43 of KMP and note 5.3 of disposal of property, plant and equipment. KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The Group considers its Chief Executive, Executive Directors and other executives to be KMP.

47 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

	(Rupees in Thousand)					
	Islamic	2026 Conventional	Total	Islamic	2025 Conventional	Total
Statement of Financial Position						
Assets:						
Short term investments	350,000	-	350,000	-	-	-
Cash at banks	77,975	85,872	163,847	57,777	71,674	129,451
Liabilities:						
Long term financing	8,757,093	-	8,757,093	9,116,830	-	9,116,830
Short term borrowings	5,953,202	116,064	6,069,266	6,145,492	763,716	6,909,208
Accrued profit on long term financing	392,011	-	392,011	320,767	-	320,767
Accrued mark up/profit on short term borrowings	99,726	90	99,816	159,033	303	159,336
Statement of Profit or loss						
Revenue earned	30,146,977	-	30,146,977	26,328,040	-	26,328,040
Scrap sales	51,548	-	51,548	202,169	-	202,169
Profit on long term financing	797,478	-	797,478	828,485	-	828,485
Mark up/profit on short term borrowings	513,874	6,439	520,313	689,935	689	690,624
Bank charges	4,836	5,293	10,129	2,317	3,867	6,184
Other income						
Profit on bank deposits and TDR	27,112	-	27,112	36,170	-	36,170
Gain on disposal of property, plant and equipment	26,559	-	26,559	23,758	-	23,758
Liabilities no more payable written back	31,960	-	31,960	7,369	-	7,369
Amortization of Government Scheme	158,289	-	158,289	24,378	-	24,378
Exchange gain - net	37,331	4,298	41,629	-	-	-
Remeasurement gain on discounting of provision for GIDC	-	-	-	11,008	-	11,008
Remeasurement gain on discounting of provision for SDMIC	344,013	-	344,013	-	-	-
Miscellaneous income	2,767	-	2,767	4,227	-	4,227

Relationship with shariah compliant banks and NBFC

Name of institutions

Askari Bank Limited
Bank Al-Falah Limited
Bank Al-Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
First Habib Modaraba

Relationship with institutions

Bank balance and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Bank balance and Long term financing
Bank balance, Long term financing and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Short term investment, Bank balance, Long term financing and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Bank balance
Bank balance and Long term financing
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
Alfalsh Insurance Company Limited – Window Takaful Operations

48 PROVIDENT FUND RELATED DISCLOSURES

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

Size of the Funds - Total Assets

Cost of Investments made

Fair value of investments

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

(Rupees in Thousand)	
2026 (Un-audited)	2025 (Audited)
159,510	158,048
157,155	155,543
158,297	156,703
99.24%	99.15%

48.1 The Break-up of cost of investments is:

Bank Deposits

(Rupees in Thousand)			
2026		2025	
Amount	%	Amount	%
157,155	100.00%	155,543	100.00%

48.2 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.

49 NUMBER OF EMPLOYEES

Total number of employees as at June 30

Average number of employees during the year

(Number of employees)	
2026	2025
702	749
727	767

50 CORRESPONDING FIGURES

Prior year's figure have been reclassified for the purpose of better presentation. Change made during the year 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

51 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on September 18, 2026 by the Board of Directors of the Parent Company.

52 GENERAL

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

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUHAMMAD TUFAIL
Chief Financial Officer

Proxy Form

46TH ANNUAL GENERAL MEETING

I/We, _____ of _____, holding Computerized National Identity Card (CNIC)/Passport No. _____ and being a member of Gatron Industries Limited, hereby appoint _____ of _____, holding CNIC/Passport No. _____, or failing him/her hereby appoint _____ of _____, holding CNIC/Passport No. _____, as my/our proxy to vote for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on the 26th day of October 2026 and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____, 2026

Witness:

1. Signature _____
Name _____
Address _____
CNIC No. _____
2. Signature _____
Name _____
Address _____
CNIC No. _____

**Revenue Stamp
of Rs. 5/- To be
signed by the
abovenamed
shareholder**

Folio / CDC Account No. _____

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

مختارنامہ (پراکسی فارم)

چھالیسواں سالانہ عام اجلاس

میں/ہم _____ ساکن _____

بجائیت رکن گیٹرون (انڈسٹریز) لمیٹڈ _____ حامل عمومی حصص بمطابق رجسٹرڈ فولیو نمبر _____ اور/یا سی ڈی سی

شرکتی آئی ڈی نمبر _____ اور ذیلی اکاؤنٹ نمبر _____

جناب/محترمہ _____ ساکن _____ یا _____

بصورت دیگر جناب/محترمہ _____ ساکن _____

کواپنی/ہماری ایماء پر کسی کے طور پر نامزد کرتا/کرتے ہیں تاکہ وہ میری/ہماری غیر موجودگی میں کمپنی کے 46 ویں سالانہ اجلاس عام جو مورخہ 26 اکتوبر 2026 کو منعقد کیا جائے

گا، اور التواء کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہونے پر، میری/ہماری طرف سے شرکت کرے اور ووٹ دے۔

دستخط مورخہ _____ 2026ء دن _____ کو ثبت ہیں۔

گواہان

(1) دستخط: _____

نام: _____

شناختی کارڈ نمبر: _____

پتہ: _____

(2) دستخط: _____

نام: _____

شناختی کارڈ نمبر: _____

پتہ: _____

فولیو/سی ڈی سی اکاؤنٹ نمبر _____ 5 روپے کارپوریشن اسٹامپ، مذکورہ بالا حصص یافتہ کے دستخط ہونا ضروری ہیں

نوٹس:

1۔ پراکسی فارم کو درست تصور کیے جانے کے لیے اس پر پانچ روپے کے کارپوریشن اسٹامپ کے اوپر دستخط ہونا ضروری ہیں اور اسے اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے پاس جمع کرایا جانا چاہیے۔

2۔ پراکسی لازمی طور پر کمپنی کا رکن ہونا چاہیے۔

3۔ دستخط کمپنی کے پاس رجسٹرڈ نمونہ دستخط سے مطابقت رکھنے چاہئیں۔

4۔ سی ڈی سی حصص یافتگان اور ان کے پراکسی حضرات کو اس پراکسی فارم کے ساتھ اپنے کمپیوٹر انڈسٹریز ڈیٹا یا سپورٹ کی تصدیق شدہ فولو کا پی منسلک کرنی ہوگی۔

5۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمونہ دستخط پراکسی فارم کے ساتھ جمع کرانی ہوگی۔



Gatron

GATRON (INDUSTRIES) LIMITED