Gatron

ANNUAL REPORT

2024

GATRON (INDUSTRIES) LIMITED

Gatron

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UNCONSOLIDATED PRESENTATION

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CONSOLIDATED PRESENTATION

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 Waseem
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
Muhammad Yasin Bilwani

Chief Financial Officer
Mustufa Bilwani

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

Legal Advisor
Naeem Ahmed Khan
Advocates
Quetta.

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

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

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

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

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

Email
headoffice@gatron.com

Website
www.gatron.com

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 fiar 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 44th Annual General Meeting of Gatron (Industries) Limited ("the Company") will be held on Monday, October 28, 2024, at 11:00 a.m., at the factory premises located at Plot No. 441/49-M2, Sector "M", H.I.T.E., Main R.C.D Highway, Hub Chowki, Distt. Lasbela, Balochistan, as well as through Video Conferencing facility to transact the following business:

Ordinary Business:

1. To confirm the minutes of the last Annual General Meeting held on October 27, 2023, and Extra Ordinary General Meeting held on December 4, 2023.

2. To receive, consider and adopt the Audited Financial Statements of the Company together with Directors' and Auditor's Report thereon for the year ended June 30, 2024.

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, 2025.

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

By Order of the Board

Muhammad Yasin Bilwani
Company Secretary

October 4, 2024

NOTES:

1. Video Conference Facility for AGM of Shareholders:

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 shareholders can also participate in the AGM proceeding via video link.

The members and their proxies who intend to attend the AGM through video link must register their particulars by sending an email at hanifkhatri@gatron-novatex.com. The members registering to connect through video link facility are required to mention their name, folio number and number of shares held in their name in the email with subject 'Registration for GATRON AGM' along with valid copy of their CNIC/Passport. Video links 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 24 (twenty-four) hours before the AGM.

2. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 22, 2024, to October 28, 2024 (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 21, 2024, will be considered in time for the purpose of attendance in the Annual General Meeting.

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. Notify Change of Address:

The members are advised to notify the Company's Shares Registrar of any change in their addresses.

5. Transmission of Annual Audited Financial Statements:

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

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

سالانہ اجلاس عام کی اطلاع

بذریعہ ہٰذا اطلاع دی جاتی ہے کہ گیٹرون (انڈسٹریز) لمیٹڈ کا سالانہ چوالیسواں (44) اجلاس عام بروز پیر مورخہ 28 اکتوبر 2024 کو صبح 11:00 بجے واقع فیکٹری کے احاطے بمقام پلاٹ نمبر 441/49-M2، سیکٹر "M"، .H.I.T.E، مین R.C.D ہائی وے، حب چوکی، ضلع لسبیلہ، بلوچستان میں درج ذیل کارروائی کے ساتھ ساتھ ویڈیو کانفرنس کی سہولت کے ذریعے منعقد ہوگا۔

عمومی امور

1 کمپنی کا گزشتہ سالانہ اجلاس عام منعقدہ 27 اکتوبر 2023 اور غیر معمولی اجلاس منعقدہ 4 دسمبر 2024 کی کارروائی کی توثیق۔

2 30 جون 2024ء کو اختتام پذیر ہونے والے مالی سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی حسابات مع آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ کی وصولی، غوروخوض اور منظوری۔

3 آئندہ سال کیلئے کمپنی کے ایکسٹرنل آڈیٹرز کا تقرر کرنا، اوران کے معاوضے کو طے کرنا۔ بورڈ آف ڈائریکٹرز نے کمپنی کی آڈٹ کمیٹی کی سفارش پر 30 جون 2025 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 صدر اجلاس کی اجازت سے دیگر امور کو انجام دینا۔

حسب الحکم بورڈ

کراچی: | محمد یاسین بلوانی
مورخہ: 4 اکتوبر 2024ء | کمپنی سیکریٹری

نوٹس:

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

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کی ہدایت کے مطابق، کمپنی نے AGM کی کارروائی میں شیئر ہولڈرز کی ویڈیو لنک کے ذریعے شرکت کو یقینی بنانے کے لیے ویڈیو کانفرنس کی سہولت کا انتظام کیا ہے۔

وہ ممبران اوران کے نمائندے جو AGM میں ویڈیو لنک کے ذریعے شرکت کرنے کے خواہاں ہیں، انہیں اپنی تفصیلات کمپنی کے ای میل hanifkhatri@gatron-novatex.com پر ارسال کر کے رجسٹر کروانی ہوں گی۔ ویڈیو لنک کی سہولت تک رسائی کے لیے رجسٹریشن کے خواہشمند ممبران ای میل بعنوان ''رجسٹریشن برائے گیٹرون AGM'' میں اپنا نام، فولیو نمبر، اپنے نام پر موجود شیئرز کی تعداد، مع CNIC / پاسپورٹ کی درست کاپی فراہم کریں۔ ویڈیو لنکس اور لاگ ان کی تفصیلات ان ممبران کے ساتھ شیئر کی جائیں گی جن کی ای میلز بمع تمام مطلوبہ تفصیلات، AGM کے انعقاد سے کم از کم 24 گھنٹے قبل مندرجہ بالا ای میل ایڈریس پر موصول ہو جائیں گی۔

2 شیئرز ٹرانسفر بکس کی بندش:

رجسٹرار سروس (پرائیویٹ) لمیٹڈ سوٹ نمبر 1705، 17 ویں منزل، صائمہ ٹریڈ ٹاور، آئی آئی چندریگر روڈ کراچی میں جو منتقلیاں 21 اکتوبر 2024 کو کاروباری اوقات کے اختتام سے قبل موصول ہوجائیں گی وہ سالانہ اجلاس عام میں شرکت کے مقصد کیلئے بروقت سمجھی جائیں گی۔

3 AGM میں شرکت:

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

کارپوریٹ ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع کارپوریٹ ادارہ کی جانب سے نمائندگی کرنے اور ووٹ ڈالنے کیلئے نامزد کردہ شخص کا نمونہ دستخط اور کارآمد CNIC کی تصدیق شدہ نقل پراکسی فارم کے ساتھ کمپنی کو پیش کیا جائے۔

کوئی بھی ممبر جس نے سینٹرل ڈیپازیٹری کمپنی آف پاکستان لمیٹڈ میں اپنے شیئرز جمع کرائے ہیں، اجلاس میں شرکت کے وقت اصل CNIC یا NICOP یا پاسپورٹ کے ساتھ اپنا پارٹیسپنٹ ID نمبر اور اکاؤنٹ/سب اکاؤنٹ نمبر لازماً ساتھ لائیں۔

4 پتے میں تبدیلی:

ممبرز کو ہدایت کی جاتی ہے کہ وہ اپنے پتے میں جس بھی قسم کی تبدیلی سے متعلق کمپنی کے شیئرز رجسٹرار کو مطلع کریں۔

5 کمپنی کے مالیاتی گوشوارے ڈاؤن لوڈ:

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

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

رجسٹرڈ آفس: کمرہ نمبر 32، پہلی منزل، احمد کمپلیکس، 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

CHAIRMAN'S REVIEW

Dear Stakeholders,

It is with great pleasure that I present Gatron (Industries) Limited's performance overview for the financial year 2024. Despite facing considerable financial and other challenges this year, our company has demonstrated remarkable resilience, adaptability, and an unwavering commitment to excellence.

Our Board of Directors consisting of ten members, two executive directors, five non-executive directors, and three independent directors, including one female has been instrumental in guiding the company. Their diverse expertise and dedication have been vital in helping Gatron achieve its strategic goals.

Over the past year, the Board convened seven meetings. I am pleased to report that our directors performed their duties with exceptional diligence, ensuring the Company not only met its objectives but also maintained its esteemed market position and adhered to all regulatory requirements. The collaborative spirit and strategic input from our Board members have been crucial in navigating the complexities of the year.

Our Audit and Human Resource & Remuneration Committees have played an essential role in supporting the Board. The Audit Committee's rigorous review of our financial statements and internal controls has been invaluable in upholding our financial integrity. Following a comprehensive review of the Annual Report and Financial Statements, the Board affirms that the report accurately reflects the Company's financial position and operations.

Success is a collective achievement, and I would like to extend my heartfelt appreciation to our dedicated customers, tireless management team, committed employees, supportive banking partners, government officials, and our exemplary Board of Directors. Your collective efforts have been fundamental to our progress.

As we look forward to the future, I am confident in Gatron's continued growth and success. Thank you for your ongoing support and dedication.

Sincerely,

Abdul Razak Diwan
Chairman
Gatron (Industries) Limited

Dated: October 4, 2024

چیئرمین کی جائزہ رپورٹ

گیٹرون (انڈسٹریز) لمیٹڈ سالانہ رپورٹ 2024

معزز اسٹیک ہولڈرز،

گیٹرون (انڈسٹریز) لمیٹڈ کے بورڈ آف ڈائریکٹرز کے چیئرمین کے طور پر خدمات انجام دینا میرے لیے اعزاز کی بات ہے۔ مجھے گیٹرون (انڈسٹریز) لمیٹڈ کی 2024 سال کی کارکردگی پر اپنا جائزہ آپ کے روبرو پیش کرتے ہوئے بے حد خوشی ہورہی ہے۔ عالمی کاروباری منظرنامے میں بے شمار چیلنجوں اور غیریقینی صورتحال کے پیش نظر، میرے لئے یہ باعث فخر ہے کہ ہماری کمپنی نے استقامت، موافقت اور عمدگی کے عزم کا مظاہرہ جاری رکھا۔

ہمارا بورڈ آف ڈائریکٹرز دس ممبران کے زیرانتظام ہے جس میں دو ایگزیکٹوڈائریکٹرز، پانچ نان ایگزیکٹواور تین آزاد ڈائریکٹرز (بشمول ایک خاتون آزاد ڈائریکٹر) شامل ہیں۔ ڈائریکٹرز کے پاس کاروبار کے شعبوں میں بھرپور اور وسیع تجربہ ہے، اور وہ کمپنی کے مقاصد کو حاصل کرنے میں اہم کردار ادا کررہے ہیں۔

سال بھر میں کل سات بورڈ اجلاسوں کا اہتمام کیا گیا۔ مجھے یہ بتاتے ہوئے خوشی ہورہی ہے کہ ہمارے ڈائریکٹرز کی کارکردگی مسلسل شاندار رہی اور بورڈ نے اپنی تمام لازمی ذمہ داریاں احسن طریقے سے پوری کیں۔ تمام ڈائریکٹرز کی اجتماعی کاوشوں نے کمپنی کو نہ صرف اپنے اہداف حاصل کرنے میں مدد دی بلکہ تمام قانونی اور ریگولیٹری تقاضوں کی تعمیل کو یقینی بناتے ہوئے اپنی بہترین مارکیٹ ساکھ کو بھی برقرار رکھا۔ ہمارے بورڈ ممبران کے باہمی تعاون کے جذبے اوران کی حکمتِ عملی نے اس سال کی پیچیدگیوں میں رہنمائی فراہم کرنے میں اہم کردار ادا کیا ہے۔

ہماری آڈٹ اور ہیومن ریسورس اینڈ ریمونریشن کمیٹیوں نے بورڈ کی معاونت میں ایک اہم کردار ادا کیا ہے۔ آڈٹ کمیٹی نے ہمارے مالیاتی حسابات اور داخلی کنٹرولز کا محتاط انداز میں جائزہ لیا، جس سے ہماری مالیاتی سالمیت کو برقرار رکھنے میں بے حد معاونت ملی۔ سالانہ رپورٹ اور مالیاتی گوشواروں کے جامع جائزے کے بعد، بورڈ اس بات کی تصدیق کرتا ہے کہ یہ رپورٹ کمپنی کی مالی صورتحال اور آپریشنز کی صحیح عکاسی کرتی ہے۔

کامیابی ایک اجتماعی کارنامہ ہے، اور میں اپنے مخلص گاہکوں، انتھک مینجمنٹ ٹیم، پرعزم ملازمین، تعاون کرنے والے بینکاری شراکت داروں، حکومتی عہدیداروں، اور ہمارے مثالی بورڈ آف ڈائریکٹرز کا دل کی گہرائیوں سے شکریہ ادا کرنا چاہتا ہوں۔ آپ کی مشترکہ کوششیں ہماری ترقی کے لیے بنیادی حیثیت کی حامل ہیں۔

مجھے امید ہے کہ کمپنی مستقبل میں بھی گیٹرون کی مسلسل ترقی اور کامیابی کیلئے پرعزم ہیں، اور آپ کے مستقل تعاون اور لگن کے لیے مشکور ہیں۔

آپ کا مخلص

عبدالرزاق دیوان

چیئرمین

گیٹرون (انڈسٹریز) لمیٹڈ

DIRECTORS' REPORT 2024

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the annual report of Gatron (Industries) Limited for the year ended June 30, 2024, along with the audited financial statements and auditors' report thereon.

Financial Review:

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

- Net sales Rs.34,014 million,
- Operating profit Rs.1,393 million,
- Investment income Rs.9 million,
- Loss before levies and income tax Rs.94 million,
- Levies and income tax Rs. 111 million including minimum tax Rs. 415 million and prior/deferred tax reversal Rs. 314 million
- Loss after income tax Rs.204 million,
- Paid up capital Rs.1,087 million,
- Shareholders' equity Rs.13,287 million

The loss before levies and income tax for the year ending June 30, 2024 is Rs.94 million compared to Rs.551 million profit before levies and income tax in the corresponding period. However, including the results of the Captive power subsidiary your Company incurred a loss of Rs.328 million before levies and income tax and Rs.440 million after income tax compared to Rs.97 million profit before levies and income tax and Rs.249 million loss after income tax in the corresponding period.

Your company achieved net revenue of Rs.34,014 million compared to Rs.27,384 million in the corresponding period, indicating an overall net increase of 24.2%. This substantial increase in sales is the result of rupee value of sale going up due to exchange rate average of 282.90 in the reporting period versus Rs. 248.04 in the previous period as well as due to by the start-up of the new polymer line allowing production of various types of chips for sale. In the current scenario due to world oversupply of resin/chips, and increasing cost of energy, it is however very difficult to continue this sale of chips on a consistent basis in the next year.

As already communicated in previous reports, the Company is facing extraordinary dumping of imported yarn adding supply of yarn in the local market at exceptionally low dumped prices. However, The National Tariff Commission (NTC) has terminated the Anti-Dumping Duties (ADD) on Polyester Filament Yarn (PFY) with its notification dated November 07, 2023 on a technical reason as noted below in the future outlook section. Presently in the world eight countries have imposed Anti-dumping duties against Chinese PFY that's nearly 70% of the countries of the world which produce PFY.

The prevalence of widespread dumping of PFY at substantially reduced prices has compelled the company to operate at significantly diminished levels of its capacity despite increasing its capacity in the last 4 to 5 years through sizeable investment. Consequently, this has resulted in a notable escalation in fixed cost including the depreciation of the newly installed capacity. As you are aware that your company has made investment of over Rs. 20 billion in the last 4 to 5 years to allow increase of annual production of mixed deniers from 65,000 tons in 2020 to approx. 99,000 tons, viz an increase in production capability by around 50%. The production capability was only 36,000 tons in 2017 so since 2017 production capability of PFY has increased by 2.75 times.

These lower operating rates, as detailed above, resulted in higher fixed costs related to depreciation and finance.

Distribution & selling expenses decreased by 21.3% as compared to last year on account of transportation expenses reduction mainly due to tolling arrangement for our Preforms segment. On the other side, administrative expenses increased by 12.5% mainly due to inflationary factors.

Finance cost significantly increased compared to the previous year due to the increasing base markup rate by the State Bank of Pakistan which was 13.75% in July 2022 to 22% at the start of this FY 23-24 and remained mostly at 22% throughout the year with marginally down to 20.50% in June 2024. Higher stock in trade as well as higher unit value of stocks on account of higher petrochemical raw material prices, also resulted in higher working capital requirements in first half of the reporting year. The Company is actively pursuing a reduction in the quantum of stock in trade and receivables but dumping is making this task difficult and would require further reduction in production/capacity utilization. Recent reduction in discount rate to 17.50% in September 2024, would reduce finance cost in coming periods.

On the Balance Sheet front as compared to June 30, 2023, stocks decreased by Rs.3,884 million to reach to Rs.7,503 million. Debtors decreased by Rs.460 million to reach Rs.3,516 million while creditors decreased by Rs.3,721 million to reach Rs.5,523 million. Company's short-term borrowings decreased by Rs.4,895 million as compared to June 30, 2023 to reach Rs.3,580 million.

CHALLENGES FACED AND FUTURE OUTLOOK

- Pursuant to the final determination of antidumping duties made by NTC in 2017, the importers and foreign exporters of PFY had filed appeals before the Anti-Dumping Appellate Tribunal in 2017. The Appellate Tribunal after more than four years of the appeal remanded the case back to the NTC in December 2021 to re-calculate the duties and reconsider the injury to the domestic industry from non-attributable factors other than dumped imports. Accordingly, recalculated and thereafter made its Final determination in January 2022 and renotified the antidumping duties in the reduced range of 2.78% to 6.82% (average 4.8%) but these duties also remained largely uncollected as noted below. Before remand the notified antidumping duties were in the range of 3.25% to 11.35%. However, NTC again evaluated the injury submissions of the importers and determined that non attributable factors are not causing injury to the domestic industry and that it is the dumped imports that are the main cause of injury and gave again a physical hearing to the importers about their submission on injury factors, which they had also submitted in writing earlier.

- A year later, despite acknowledging the existing of injury on DTY yarn, newly constituted NTC while considering the position in November 2023 in light of the sunset review (which in the meantime had been initiated, terminated on 7 November 2023), and consequently terminated the anti-dumping duties as in force in November 2023 against dumped imports of PFY from China and Malaysia on the technical reason of the exclusion of Fully Drawn Yarn (FDY) from the scope of Sunset Review. This exclusion of FDY for the sunset review was done by NTC itself in the year 2022. While the Company had challenged this ADD termination of November 2023, but due to initiation of new dumping investigation by NTC on DTY at the request of the PFY Industry, the company has withdrawn that application in the Appellate Tribunal. However, from November 2023 until the point where NTC takes action based on the new investigation process takes certain action, no ADD was/will be in force despite injury being suffered. Presently in the world eight countries have imposed Anti-dumping duties against Chinese PFY. That's nearly 70% of the countries of the world which produce PFY.

- The Anti-Dumping Duties (ADD) levels in Pakistan are anyhow low compared to what is imposed by other countries against China (details below). But even at these low levels the importers evaded the ADD duties, thus injury to domestics manufacturers was not mitigated by the notified ADD. The importers get a stay in one High Court, which gets dismissed in 5 or 6 months. Though they cannot file the same petition in another High Court once it has been dismissed, they do so in another city High Court, by hiding the fact that it has been dismissed earlier and by declaring that this is the first time they are filing petitions against the said ADD. In this way they have so far illegally got stays (more than 35 times) against the PFY ADD one after the other and failed to pay the due ADD of all these dismissed petitions and stays.

- The ADD rates in Pakistan imposed in 2017 were already low (now terminated from November 2023), to cover the actual dumping/injury and are much lower than the following ADD imposed on Chinese exporters of Polyester Filament Yarn:

  - by Turkey of minimum 16% or $250/ton
  - by India of minimum 23%
  - by the USA of minimum 32% (anti-dumping and anti-subsidy duties)
  - by Vietnam of minimum 17% (and max 21.23%)
  - by Brazil $57.85 – 585.70/ton (4.35% - 44%)
  - by Mexico $532/ton (40%)

  So, 6 major countries have imposed Anti-Dumping or countervailing duties on PFY from China, while Indonesia is restricting imports of PFY by not allowing the same to traders and intends to increase import duties on the same. So, this covers most the PFY producing countries. Bangladesh protects its PFY industry by way of 20% import duty on competing imported yarn.

  Recently India has imposed the non-tariff barrier removing the BIS (Bureau of Indian standard) exemption for imports of PFY into India. Because of which the import of PFY from China into India have reduced from 150,000 tons per quarter till Q3 2023, to less than 40,000 tons per quarter at present. The Chinese producers have been trying for long to call the BIS team for inspection and approval but while other countries like Korea, Taiwan etc. have got the BIS approval, the BIS visit/approval of China is not happening. In the above background it is hoped the dumping margins and the dumping duties in Pakistan on Chinese PFY imports will be revived or will be revised to higher levels and that imports of yarn remain subject to Regulatory duty (RD) until these anti-dumping duties are effectively enforced and collected.

- As noted above para of this report, now the dumping by the Chinese producers have become intense due to their capacity expansions coming on stream and correspondingly reduction in world and Chinese demand due to near to recession conditions. The continuation of RD with imposition and collection of appropriate ADD is important to provide level playing field to local yarn industry against dumped imports, otherwise in coming period this industry may vanish and country would be fully dependent of imports which would definitely be burden on balance of payments and would result unemployment.

- On the back of effective implementation of anti-dumping duty for 5 years on the levels similar to the 2 digit level in India, Turkey and Vietnam on competing imported yarn would allow Pakistan PFY producers to fully utilize their capacity which can meet nearly 50% of the Pakistan's domestic use PFY demand and encourage these producers to further expand to meet over 75% of Pakistan in the next 3 years since polymer capacity for the same is already available. This will provide import substitution and reduce the current account deficit while would also provide local employment beyond the jobs already provided by the industry.

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

OTHER MATTERS

- The principal business of Wholly Owned Subsidiary Company Messrs. Gatro Power (Private) Limited is to generate and sell electric power. Due to low operations, the power company could not cover its costs fully and remained in loss.

- The principal business of Wholly Owned Subsidiary Company Messrs. G-Pac Energy (Private) Limited is to generate and sell electric power. The operations of this Subsidiary Company are expected to be commenced soon.

- Wholly Owned Subsidiary Messrs. Global Synthetics Limited has yet to commence its operations.

APPROPRIATION

The Board of Directors of the Company has not recommended any dividend for the year ended June 30, 2024.

EARNING/LOSS PER SHARE

The loss per share of the Company for the year ended on June 30, 2024, is Rs.2.36.

MATERIAL CHANGES AND COMMITMENTS

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

CHAIRMAN'S REVIEW

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

EXTERNAL AUDITORS

The retiring auditors M/s Kreston Hyder Bhimji & Co., Chartered Accountants, being eligible, offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as the Company's auditors for the financial year 2024-25.

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

PATTERN OF SHAREHOLDING

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

CONSOLIDATED FINANCIAL STATEMENTS

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

- The financial statements for the year ended June 30, 2024, prepared by the management of the Company, present its overall affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent business judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been disclosed and explained.
- The system of internal control is sound in design; it has been effectively implemented and monitored.
- Significant deviations from last year in the operating results of the Company, if any, are disclosed in this report.
- There is no significant doubt upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as per regulations.
- Key operating and financial data of the last six years in summarized form is annexed.
- The fair value of the provident funds investments as of June 30, 2024 was Rs. 150 million.
- During the year 7 Board meetings, 4 Audit committee meetings and 4 HR & remuneration committee meetings were held.
- The names of the persons, who at any time during the financial year ended June 30,2024, were Members of the Board and its Committees along with their attendance is as follows:

Name of Director	Board of Directors Meetings	Audit Committee Meetings	HR & Remuneration Committee Meetings
Mr. Abdul Razak Diwan	7	-	-
Mr. Shabbir Diwan	7	-	-
Mr. Zakaria Bilwani	7	-	-
Mr. Usman Habib Bilwani	4	-	2
Mr. Muhammad Iqbal Bilwani	7	4	4
Mr. Saqib Haroon Bilwani	7	2	2
Mr. Muhammad Taufiq Bilwani	7	-	-
Mr. Muhammad Altaf Bilwani	2	-	-
Mr. Talat Iqbal	6	4	4
Mr. Muhammad Waseem	3	2	-
Mr. Muhamamd Tufail Iqbal	3	2	-
Ms. Huma Rafique	4	-	-

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

BOARD OF DIRECTORS

Changes in the Board of Directors subsequent to election of Directors of the Company held on December 04, 2023 have already been communicated to the members in the Directors Report of the half year ended December 31, 2023.

DIRECTOR'S TRAINING

During the year, Mr. Muhammad Tufail Iqbal an Independent Director has obtained Director's Training Certificate from the Pakistan Institute of Corporate Governance.

BOARD PERFORMANCE REVIEW

We have implemented a robust mechanism for the self-assessment of the Board's performance. This process ensures that we continuously evaluate and enhance our governance practices.

Throughout the year, the Board of Directors has provided invaluable guidance, contributing to effective governance and strategic oversight. Their ongoing commitment is instrumental in steering the Company toward its objectives and upholding high standards of accountability.

COMMUNICATION WITH SHAREHOLDERS

The Company remains committed to maintaining open and transparent communication with our shareholders. Additionally, we keep our shareholders informed about the Company's activities and updates through our website at www.gatron.com. Our website is regularly updated to ensure timely access to the latest information.

We value your engagement and strive to provide you with the most relevant and current updates about our Company.

ACKNOWLEDGMENT

The Board of Directors extends its heartfelt gratitude to all stakeholders for their unwavering trust and confidence in the Company. We deeply appreciate the consistent cooperation and support we have received over the years and are confident in its continuation.

We would also like to express our sincere thanks to every member of the Company for their dedication, innovative thinking, and commitment to their roles. Your efforts are instrumental to our success.

Furthermore, we are grateful to the Government Institutions, Auditors, SECP, PSX, and Banks for their invaluable guidance and assistance, which have significantly contributed to the Company's growth and progress.

Thank you for your continued partnership and support.

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

Dated: October 4, 2024

شیئر ہولڈرز کے ساتھ مواصلات:

کمپنی اپنے حصص یافتگان کے ساتھ کھلی اور شفاف مواصلات برقرار رکھنے کیلئے پرعزم ہے۔علاوہ ازیں، ہم اپنی ویب سائٹwww.gatron.com کے ذریعے حصص یافتگان کو کمپنی کی سرگرمیوں اور تازہ ترین معلومات سے آگاہ رکھتے ہیں۔ ہماری ویب سائٹ کو باقاعدگی سے اپ ڈیٹ کیا جاتا ہے تاکہ آپ کو تازہ ترین معلومات بروقت دستیاب ہوں۔

اظہار تشکر:

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

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

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

شبیر دیوان
چیف ایگزیکٹو آفیسر
بتاریخ: 4 اکتوبر 2024ء

محمد اقبال بلوانی
ڈائریکٹر

☆ دوران سال 7 بورڈ، 4 آڈٹ کمیٹی اور 4 ایچ آر اینڈ ریمونریشن کمیٹی کے اجلاس کا انعقاد کیا گیا۔

☆ وہ افراد جو مالی سال 30 جون 2024ء کے اختتام کے دوران کسی بھی وقت بورڈ اور اس کی کمیٹیوں کے رکن تھے، اور ان کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کے اجلاس	آڈٹ کمیٹی کے اجلاس	ایچ آر اینڈ ری میونریشن کمیٹی کے اجلاس
محترم جناب عبدالرزاق دیوان	7	-	-
محترم جناب شبیر دیوان	7	-	-
محترم جناب زکریا بلوانی	7	-	-
محترم جناب عثمان حبیب بلوانی	4	-	2
محترم جناب محمد اقبال بلوانی	7	4	4
محترم جناب ثاقب ہارون بلوانی	7	2	2
محترم جناب محمد توفیق بلوانی	7	-	-
محترم جناب الطاف بلوانی	2	-	-
محترم جناب طلعت اقبال	6	4	4
محترم محمد وسیم	3	2	-
محترم جناب طفیل اقبال	3	2	-
محترمہ ہما رفیق	4	-	-

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

بورڈ آف ڈائریکٹرز:

04 دسمبر 2023 کو ہونے والے کمپنی کے ڈائریکٹرز کے انتخاب کے بعد بورڈ آف ڈائریکٹرز میں ہونے والی تبدیلیاں 31 دسمبر 2023 کو ختم ہونے والے ششماہی کی ڈائریکٹرز رپورٹ میں ممبران کو پہلے ہی بتا دی گئی ہیں۔

ڈائریکٹر کی تربیت

رواں سال کے دوران، جناب محمد طفیل اقبال ایک آزاد ڈائریکٹر نے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس سے ڈائریکٹر ٹریننگ سرٹیفکیٹ حاصل کیا ہے۔

بورڈ کی اپنی کارکردگی کا جائزہ:

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

بیرونی آڈیٹرز:

ریٹائرنگ آڈیٹرز میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس نے اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی نے میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کی بطور بیرونی آڈیٹرز برائے مالی سال 2024-25 دوبارہ تقرری کی سفارش کی ہے۔

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

شیئر ہولڈنگ کی ترتیب:

کمپنی کی شیئر ہولڈنگ کی ترتیب ظاہر کرنے والا گوشوارہ اس رپورٹ کے ساتھ منسلک ہے۔

مجموعی مالیاتی گوشوارے:

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

کارپوریٹ اور فنانشل رپورٹنگ کا فریم ورک:

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

☆ 30 جون 2024ء کو اختتام پذیر ہونے والے سال کیلئے کمپنی ہذا کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے، کمپنی کے معاملات، اسکے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیاں شفاف انداز میں پیش کی گئیں ہیں۔

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

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

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

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

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

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

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

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

☆ 30 جون 2024ء کو پراویڈنٹ فنڈ کی سرمایہ کاری کی قدر مبلغ 150 ملین روپے تھی۔

جبکہ یہ صنعت کے ذریعے پہلے سے فراہم کردہ ملازمتوں سے بڑھ کر مقامی روزگار بھی فراہم کرے گا۔

☆ پی ایف وائی سب سے بڑی درآمدات میں شامل ہے، اس لیے اسے مقامی طور پر پیدا کرنے کی ضرورت ہے، خاص طور پر جب اس کا خام مال پی ٹی اے بھی مقامی طور پر تیار ہوتا ہے۔ یہ بھی مدنظر رکھنا چاہیے کہ سال 2003ء میں فلیمنٹ یارن کی مقامی طلب کا 90 فیصد سے زیادہ مقامی پیداوار سے پورا کیا جاتا تھا، مزید برآں، ڈاؤن اسٹریم کی صنعت اور طلب میں بھی متعدد سالوں کے دوران اضافہ ہوا ہے اور کل طلب میں سال 18-2017 کی 260,000 میٹرک ٹن کے مقابلے میں تقریباً 350,000 ٹن سے تجاوز کر گئی ہے۔ اس لیے اس کی مقامی پیداوار میں اضافہ کرنا بھی ملک کے کرنٹ اکاؤنٹ خسارے پر دباؤ کم کرنے کے لیے ضروری ہے۔

دیگر معاملات

- مکمل ملکیتی ذیلی کمپنی میسرز گیٹرو پاور (پرائیویٹ) لمیٹڈ کا اصل کاروبار بجلی کی پیداوار اور فروخت ہے۔ کم آپریشنز کی وجہ سے پاور کمپنی اپنے اخراجات پورے نہیں کر سکی اور خسارے میں رہی۔
- مکمل ملکیت والی ذیلی کمپنی میسرز G-Pac انرجی (پرائیویٹ) لمیٹڈ کا اصل کاروبار بجلی پیدا کرنا اور فروخت کرنا ہے۔ اس ذیلی کمپنی کے کام جلد شروع ہونے کی توقع ہے۔
- مکمل ملکیتی ماتحت میسرز گلوبل سنتھیٹکس لمیٹڈ نے تاحال اپنے آپریشنز کا آغاز کرنا ہے۔

اختصاص:

کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2024ء کے اختتام پذیر ہونے والے سال کیلئے کسی بھی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

آمدن/خسارہ فی حصہ:

30 جون 2024ء کو اختتام پذیر ہونے والے سال کے لیئے خسارہ فی حصہ 2.36 روپے رہا۔

اہم تبدیلیاں اور معاہدے:

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

چیئرمین کا جائزہ

چیئرمین کا جائزہ اس سالانہ رپورٹ میں منسلک کیا گیا ہے۔

- ترکی کی جانب سے کم از کم 16 فیصد یا 250$/ٹن
- ہندوستان کی جانب سے کم از کم 23 فیصد
- امریکہ کی جانب سے کم از کم 32 فیصد (اینٹی ڈمپنگ اور اینٹی سبسڈی ڈیوٹیز)
- ویتنام کی جانب سے کم از کم 17 فیصد (اور زیادہ سے زیادہ 21.23 فیصد)
- برازیل کی جانب سے 57.85$ سے 585.70/ٹن (4.35 فیصد سے 44 فیصد)
- میکسیکو کی جانب سے 532$/ٹن (40 فیصد)

لہٰذا، 6 بڑے ممالک نے چین سے PFY پر اینٹی ڈمپنگ یا کاؤنٹر ویلیونگ ڈیوٹی عائد کی ہے، جبکہ انڈونیشیا تاجروں کو اس کی اجازت نہ دے کر PFY کی درآمدات کو محدود کر رہا ہے اور اس پر درآمدی ڈیوٹی بڑھانے کا ارادہ رکھتا ہے۔ لہٰذا، اس میں زیادہ تر PFY پیدا کرنے والے ممالک شامل ہیں۔ بنگلہ دیش اپنی PFY صنعت کو مسابقتی درآمدی یارن پر 20 فیصد درآمدی ڈیوٹی کے ذریعے تحفظ فراہم کرتا ہے۔

حال ہی میں ہندوستان نے پی ٹی اے کی ہندوستان میں درآمدات کے لئے بی آئی ایس (بیورو آف انڈین اسٹینڈرڈ) BIS کی استثنٰی کو ہٹاتے ہوئے نان ٹیرف بیریئر نافذ کیا ہے۔ جس کی وجہ سے چین سے بھارت میں پی ایف وائی کی درآمدات کو 2023 کی تیسری سہ ماہی میں 150,000 ٹن سے کم کر کے فی الحال 40,000 ٹن سے بھی کم کر دیا گیا ہے۔ چینی پروڈیوسر طویل عرصے سے بی آئی ایس BIS ٹیم کو معائنہ اور منظوری کے لیے ٹیم سے ملنے کی کوشش کر رہے ہیں، تاہم دیگر ممالک جیسے کوریا، تائیوان وغیرہ نے بی آئی ایس BIS کی منظوری حاصل کر لی ہے، چین کے لیے بی آئی ایس BIS کی آمد/منظور ہونے کی توقع نہیں ہے۔ اس پس منظر میں امید کی جا رہی ہے کہ پی ایف وائی کی چینی درآمدات پر پاکستان میں ڈمپنگ مارجن اور ڈمپنگ ڈیوٹی کو بحال کیا جائے گا یا اس پر نظر ثانی کی جائے گی یا اس کو بڑھائی جائے گی یا یارن کی درآمدات ریگولیٹری ڈیوٹی (RD) عائد کی جائے گی جب تک کہ یہ اینٹی ڈمپنگ ڈیوٹیاں مؤثر طور پر نافذ اور وصول نہیں کی جاتیں۔

☆ جیسا کہ اس رپورٹ کے پیراگراف میں اوپر بیان کیا گیا ہے، اب چینی پروڈیوسروں کی جانب سے ڈمپنگ شدید ہوگئی ہے۔ کیونکہ ان کی پیداواری صلاحیت میں اضافہ ہو رہا ہے اور اس کے ساتھ ہی عالمی اور چینی طلب میں کساد بازاری کی صورت حال کے سبب کمی آئی ہے۔ ریگولیٹری ڈیوٹی (RD) کے جاری رکھنے کے ساتھ مناسب اینٹی ڈمپنگ ڈیوٹی (ADD) کے نفاذ اور وصولی کی ضرورت ہے تا کہ مقامی یارن کی صنعت کو ڈمپ شدہ درآمدات کے خلاف ایک ہمہ گیر میدان فراہم کیا جا سکے، ورنہ آنے والے عرصے میں یہ صنعت ختم ہو سکتی ہے اور ملک مکمل طور پر درآمدات پر منحصر ہو جائے گا، جو کہ زرمبادلہ کی ادائیگیوں پر بوجھ بنے گا اور بے روزگاری کا باعث بنے گا۔

☆ اینٹی ڈمپنگ ڈیوٹی کے پانچ سال کیلئے مؤثر نفاذ کی بدولت، جو کہ بھارت، ترکی اور ویتنام میں مقابلہ کرنے والی درآمدی یارن پر دوعددی سطح پر برقرار ہے، پاکستان کے پی ایف وائی پروڈیوسرز کو اپنی پیداواری صلاحیت کو مکمل طور پر استعمال کرنے کی اجازت دے گی، جو کہ پاکستان کی مقامی پی ایف وائی کی طلب کا تقریباً 50 فیصد پورا کر سکتی ہے۔ یہ پروڈیوسرز کو مزید توسیع کیلئے بھی حوصلہ افزائی کرے گی تا کہ وہ آئندہ 3 سالوں میں پاکستان کی 75 فیصد طلب کو پورا کر سکیں، کیونکہ اس کے لیے پہلے ہی پولیمر کی صلاحیت دستیاب ہے۔ یہ درآمد کی جگہ لینے کا موقع فراہم کرے گا اور کرنٹ اکاؤنٹ خسارے کو کم کرے گا

درپیش چیلنجز اور مستقبل پر ایک نظر:

☆ نیشنل ٹیرف کمیشن (NTC) کی جانب سے 2017ء میں اینٹی ڈمپنگ ڈیوٹی کے حتمی تعین کے بعد PFY کے درآمد کنندگان اور غیر ملکی برآمد کنندگان نے 2017ء میں اینٹی ڈمپنگ اپیلیٹ ٹریبونل کے سامنے اپیلیں دائر کی تھی۔ اپیلٹ ٹریبونل نے چار سال سے زیادہ کی اپیل کے بعد دسمبر 2021ء میں کیس کو دوبارہ NTC کو بھیج دیا تا کہ ڈیوٹی کا دوبارہ حساب لگایا جاسکے اور ڈمپ کی گئی درآمدات کے علاوہ غیر منسوب عوامل سے گھریلو صنعت کو پہنچنے والے نقصان پر نظر ثانی کی جاسکے۔ اس کے مطابق، این ٹی سی نے جنوری 2022ء میں اپنا حتمی رپورٹ جاری کی اور 2.78 فیصد سے 6.82 فیصد (اوسطاً 4.8 فیصد) کی کم حد میں اینٹی ڈمپنگ ڈیوٹی کو دوبارہ نوٹیفائی کیا، تاہم جیسا کہ مندرجہ ذیل بیان کیا گیا ہے، یہ ڈیوٹیز بھی بڑی حد تک وصول نہیں کی گئیں۔ ریمانڈ سے قبل نوٹیفائیڈ اینٹی ڈمپنگ ڈیوٹی 3.25 فیصد سے 11.35 فیصد کے درمیان تھی۔ تاہم NTC نے دوبارہ امپورٹرز کی جانب سے دی گئی نقصان کی درخواستوں کا جائزہ لیا اور یہ فیصلہ کیا کہ غیر متعلقہ عوامل مقامی صنعت کو نقصان نہیں پہنچا رہے، بلکہ ڈمپڈ امپورٹس ہی اس نقصان کی بنیادی وجہ ہے۔ مزید برآں NTC نے امپورٹرز کو ان کے نقصان کے عوامل کے بارے میں سماعت کا موقع دیا، جس کیلئے انہوں نے پہلے بھی تحریری طور پر درخواست دی تھی۔

☆ ایک سال بعد، DTY یارن پر موجود چوٹ کو تسلیم کرنے کے باوجود، نو تشکیل شدہ NTC نے نومبر 2023 میں سن سیٹ ریویو کے پیش نظر پوزیشن پر غور کرتے ہوئے (جو اس دورانیہ میں آغاز کیا گیا تھا، 7 نومبر 2023 کو ختم کر دیا گیا تھا) اور نتیجتاً سن سیٹ ریویو کے دائرہ کار سے فلی ڈراون یارن (FDY) کو خارج کرنے کی تکنیکی بنیادوں پر چین اور ملائیشیا سے PFY کی ڈمپ شدہ درآمدات کے خلاف نومبر 2023 میں نافذ اینٹی ڈمپنگ ڈیوٹی ختم کر دی۔ کمپنی نے اس اینٹی ڈمپنگ ڈیوٹیز کے خاتمے کو چیلنج کیا، تاہم PFY انڈسٹری کی درخواست پر NTC نے ڈینیئر ٹیکسچرڈ یارن (DTY) پر نئی ڈمپنگ تحقیقات کا آغاز کیا، کمپنی نے اس درخواست کو اپیلیٹ ٹریبونل سے واپس لے لیا۔ تاہم، نومبر 2023ء سے لے کر اس وقت تک جب تک NTC نئی تحقیقات کی بنیاد پر کوئی کارروائی نہیں کرتا، اینٹی ڈمپنگ ڈیوٹیز ADD نافذ نہیں ہوں گی حالانکہ کمپنی کو نقصان کا سامنا ہے۔ اس وقت دنیا میں آٹھ ممالک نے چینی پی ایف وائی PFY کے خلاف اینٹی ڈمپنگ ڈیوٹیز عائد ہیں، جو تقریباً 70 فیصد ممالک ہیں جو پی ایف وائی PFY کی پیداوار کرتے ہیں۔

☆ پاکستان میں اینٹی ڈمپنگ ڈیوٹیز (ADD) کی سطحیں بہرحال چین کے خلاف عائد کی جانے والی ڈیوٹیز کے مقابلے میں کم ہیں (تفصیلات مندرجہ ذیل ہیں)۔ تاہم، ان کم سطحوں پر بھی، درآمد کنندگان نے اینٹی ڈمپنگ ڈیوٹیز (ADD) سے بچاؤ کیا، جس کے نتیجے میں مقامی مینوفیکچررز کو ہونے والا نقصان نوٹیفائیڈ ADD کے باوجود کم نہیں ہوسکا۔ درآمد کنندگان ایک ہائی کورٹ میں حکم امتناع حاصل کر لیتے ہیں، جو 5 یا 6 ماہ بعد مسترد ہو جاتا ہے۔ اگرچہ وہ ایک بار مسترد ہونے کے بعد دوبارہ ہائی کورٹ میں وہی درخواست نہیں دائر کر سکتے، تاہم وہ کسی دوسرے شہر کی ہائی کورٹ میں یہ حقیقت چھپاتے ہوئے دوبارہ درخواست دائر کر لیتے ہیں کہ یہ پہلی بار ہے جبکہ وہ مذکورہ ADD کے خلاف درخواست دیتے ہیں۔ اس طرح، انہوں نے اب تک پی ایف وائی ADD کے خلاف ایک کے بعد ایک 35 سے زائد بار غیر قانونی طور پر حکم امتناع حاصل کر لیا ہے اور ان تمام مسترد درخواستوں اور حکم امتناع کی واجب الادا ADD ادا کرنے میں ناکام رہے ہیں۔

☆ پاکستان میں 2017ء میں عائد کردہ ADD کی شرحیں پہلے ہی کم تھیں، (جو نومبر 2023 سے ختم کر دی گئی ہیں) تا کہ اصل ڈمپنگ/نقصان کو پورا کیا جا سکے اور یہ چینی پالیسٹر فلیمنٹ یارن کے برآمد کنندگان پر عائد کردہ درج ذیل ADD سے کہیں کم ہیں:

جیسا کہ پہلے کی رپورٹس میں بتایا جاچکا ہے، کمپنی کو درآمد شدہ یارن کی غیر معمولی ڈمپنگ کا سامنا ہے، جس کی وجہ سے مقامی مارکیٹ میں یارن کی فراہمی انتہائی کم قیمتوں پر ہو رہی ہے۔ تاہم، نیشنل ٹیرف کمیشن (NTC) نے 7 نومبر 2023ء کو اپنے نوٹیفیکیشن کے ذریعے پولی ایسٹر فلامنٹ یارن (PFY) پر عائد اینٹی ڈمپنگ ڈیوٹی (ADD) کو ایک تکنیکی وجہ سے ختم کر دیا ہے، جس کی تفصیل مستقبل کے تجزیے کے سیکشن میں دی گئی ہے۔ فی الحال، دنیا کے آٹھ ممالک نے چینی PFY کے خلاف اینٹی ڈمپنگ ڈیوٹی عائد کی ہوئی ہے، جو کہ PFY پیدا کرنے والے دنیا کے تقریباً 70 فیصد ممالک پر مشتمل ہے۔

پولی ایسٹر فلامنٹ یارن (PFY) کی کم قیمتوں پر بڑے پیمانے پر ڈمپنگ نے کمپنی کو اپنی صلاحیت کا بہت کم حصہ استعمال کرنے پر مجبور کر دیا ہے، حالانکہ پچھلے 4 سے 5 سالوں میں نمایاں سرمایہ کاری کے ذریعے اس کی صلاحیت میں اضافہ کیا گیا۔ نتیجتاً، اس سے نئے نصب شدہ پیداواری صلاحیت کی قدر میں کمی (depreciation) سمیت مقررہ اخراجات میں نمایاں اضافہ ہوا ہے۔ جیسا کہ آپ جانتے ہیں، آپ کی کمپنی نے گزشتہ 4 سے 5 سالوں میں 20 ارب روپے سے زائد کی سرمایہ کاری کی ہے، نتیجتاً، مخلوط ڈینیئرز کی سالانہ پیداوار 2020 میں 65,000 ٹن سے بڑھ کر تقریباً 99,000 ٹن ہو گئی ہے، جو کہ پیداوار کی صلاحیت میں تقریباً 50 فیصد کا اضافہ ہے۔ 2017ء میں پیداواری صلاحیت صرف 36,000 ٹن تھی، چنانچہ 2017ء سے PFY کی پیداوار کی صلاحیت میں 2.75 گنا اضافہ ہوا ہے۔

جیسا کہ اوپر بیان کیا گیا ہے، ان کم آپریٹنگ شرحوں کے نتیجے میں ڈیپریسی ایشن اور فنانس سے متعلقہ زائد فکسڈ اخراجات ہوئے۔

ترسیل اور فروخت کے اخراجات میں پچھلے سال کے مقابلے میں 21.3 فیصد کی کمی واقع ہوئی، جو زیادہ تر ہمارے پرفارمز سیکشن کے لیے ٹولنگ انتظامات کی وجہ سے ٹرانسپورٹیشن کے اخراجات میں کمی کی بدولت ممکن ہوئی۔ دوسری جانب، انتظامی اخراجات میں 12.5 فیصد کا اضافہ ہوا جو بنیادی طور پر افراط زر کے عوامل کی وجہ سے ہوا۔

اسٹیٹ بینک آف پاکستان کی جانب سے بیس مارک اپ کی شرح میں اضافے کی وجہ سے مالیاتی لاگت میں گزشتہ سال کے مقابلے میں نمایاں اضافہ ہوا جو جولائی 2022ء میں 13.75 فیصد سے بڑھ کر مالی سال 24-23 کے آغاز میں 22 فیصد تک پہنچا اور سال بھر میں زیادہ تر 22 فیصد پر برقرار رہا، تاہم جون 2024ء میں معمولی کمی کے ساتھ 20.50 فیصد تک آ گیا۔ اسٹاک ان ٹریڈ کی زائد مقدار اور پیٹروکیمیکل خام مال کی قیمتوں میں اضافے کی وجہ سے اسٹاک کی یونٹ ویلیو بھی زیادہ ہو گئی، جس کے نتیجے میں رپورٹنگ سال کے پہلی ششماہی میں ورکنگ کیپیٹل کی ضروریات میں اضافہ ہوا۔ کمپنی فعال طور پر اسٹاک ان ٹریڈ اور وصولیوں کی مقدار میں کمی لانے کی کوشش کر رہی ہے، تاہم ڈمپنگ کی وجہ سے یہ کام مشکل ہو رہا ہے، اور اس کیلئے پیداوار/ صلاحیت کے استعمال میں مزید کمی کی ضرورت ہوگی۔ ستمبر 2024ء میں ڈسکاؤنٹ ریٹ میں 17.50 فیصد کی حالیہ کمی سے آئندہ ادوار میں مالیاتی لاگت میں کمی کی توقع ہے۔
بیلنس شیٹ کے حوالے سے 30 جون 2023ء کے مقابلے میں، اسٹاکس میں 3,884 ملین روپے کی کمی واقع ہوئی جس سے یہ 7,503 ملین روپے تک پہنچ گیا۔ ڈیبٹرز میں 460 ملین روپے کی کمی ہو کر 3,516 ملین روپے تک پہنچ گئے، جبکہ کریڈٹرز میں 3,721 ملین روپے کی کمی ہو کر یہ 5,523 ملین روپے ہو گئے۔ کمپنی کے قلیل مدتی قرضہ جات 30 جون 2023ء کے مقابلے میں 4,895 ملین روپے کی کمی سے 3,580 ملین روپے تک پہنچ گئے۔

بورڈ آف ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان،

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2024ء کو ختم ہونے والے سال کیلئے گیٹرون (انڈسٹریز) لمیٹڈ کے سالانہ آڈٹ شدہ مالیاتی گوشواروں بشمول آڈیٹرز کی رپورٹ کو پیش کرتے ہوئے دلی مسرت محسوس کررہے ہیں۔

مالیاتی جائزہ:

زیرجائزہ سال کا مالیاتی خلاصہ مندرجہ ذیل ہے:

خالص فروخت 34,014 ملین روپے،

آپریٹنگ منافع 1,393 ملین روپے،

سرمایہ کارانہ آمدنی 9 ملین روپے،

خسارہ قبل از محصولات اور انکم ٹیکس 94 ملین روپے،

محصولات اور انکم ٹیکس 111 ملین روپے بشمول کم از کم ٹیکس minimum tax 415 ملین روپے اور پری/ ڈیفرڈ ٹیکس ریورسل 314 ملین روپے

خسارہ بعد از انکم ٹیکس 204 ملین روپے،

ادا شدہ سرمایہ 1,087 ملین روپے،

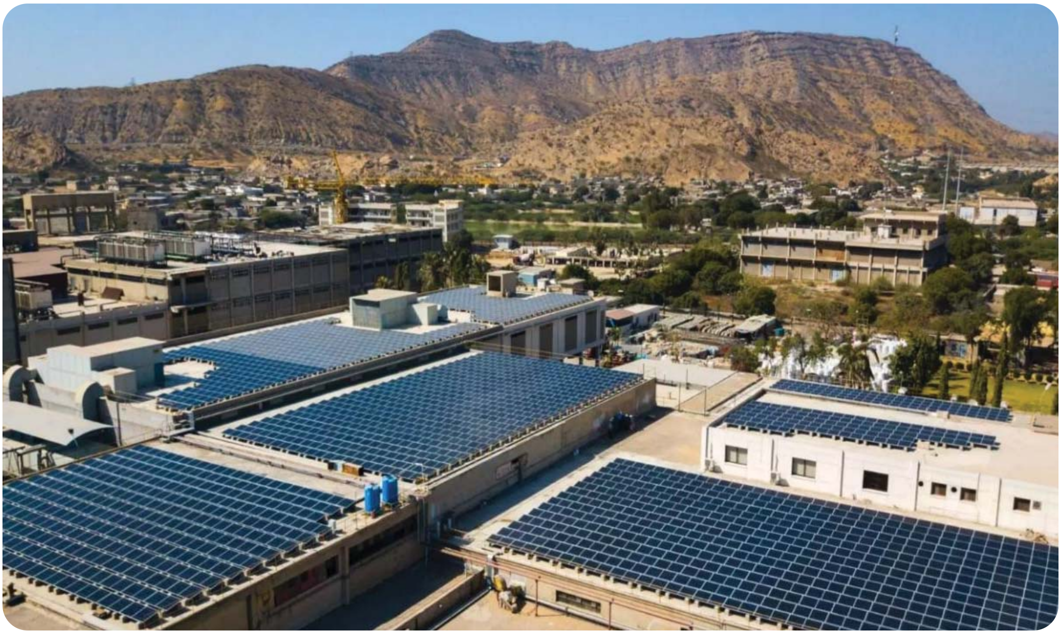
حصص یافتگان کی ایکویٹی 13,287 ملین روپے

30 جون 2024ء کو ختم ہونے والے سال کے لیے پچھلے سال کے اسی دورانیہ میں منافع قبل از محصولات اور انکم ٹیکس 551 ملین منافع کے مقابلے میں خسارہ قبل از محصولات اور انکم ٹیکس 94 ملین روپے رہا۔ تاہم، اگر کیپٹیو پاور ذیلی کمپنی کے نتائج شامل کیے جائیں تو آپ کی کمپنی نے قبل از محصولات اور انکم ٹیکس 328 ملین روپے کا نقصان اور بعد از انکم ٹیکس 440 ملین روپے کا نقصان اٹھایا ہے، جبکہ پچھلے سال کے اسی دورانیہ میں 97 ملین روپے کا منافع اور بعد از انکم ٹیکس نقصان 249 ملین روپے ریکارڈ کیا گیا تھا۔

آپ کی کمپنی نے اسی مدت میں 27,384 ملین روپے کے مقابلے میں 34,014 ملین روپے کی خالص فروخت حاصل کی، جو کہ مجموعی طور پر 24.2 فیصد کے خالص نمو کو ظاہر کرتی ہے۔ فروخت میں اس نمایاں اضافے کی وجہ روپے کی قیمت میں اضافہ ہے، جس کی اوسط شرح تبادلہ رپورٹنگ مدت میں 282.90 روپے رہی، جبکہ گزشتہ سال یہ 248.04 روپے تھی۔ اس کے علاوہ، نئی پولیمر لائن کے آغاز سے مختلف قسم کے چپس کی پیداوار اور فروخت ممکن ہوئی۔ تاہم، موجودہ صورتحال میں دنیا بھر میں ریزن/ چپس کی اضافی سپلائی اور توانائی کے بڑھتے ہوئے اخراجات کی وجہ سے آئندہ سال میں چپس کی فروخت کو مستقل بنیادوں پر جاری رکھنا مشکل ہوگا۔

SUSTAINABILITY REPORT

SUSTAINABILITY REPORT (2023-24)



Introduction

At Gatron, sustainability is at the core of our operations, driving our commitment to fostering a positive impact on the environment, economy, and society. As a leading industrial player, we recognize the responsibility we bear in promoting sustainable development and aligning our strategies with the United Nations Sustainable Development Goals (UN SDGs). This report highlights our progress in key areas, including clean energy, water conservation, responsible production, and employee well-being, as we strive to create lasting value for our stakeholders and future generations.

By leveraging innovation, resource efficiency, and a dedicated workforce, we are advancing initiatives that support renewable energy, reduce waste, conserve water, and enhance the health and welfare of our employees and surrounding communities. Through our continued efforts, Gatron is committed to making a measurable and meaningful contribution toward global sustainability goals, ensuring a better future for all.

Our Sustainability Journey

Gatron embarked on its sustainability journey in 2020, with a clear vision to align our operations with the United Nations Sustainable Development Goals (UN SDGs). We initially focused on five key goals, aiming to reduce our environmental footprint, enhance resource efficiency, and promote the well-being of our employees and the communities we serve. Over the past few years, we have made significant progress in these areas, successfully implementing a range of projects that have resulted in measurable environmental and social benefits.

Building on this momentum, we have now expanded our commitment by incorporating additional SDGs into our strategy, setting ambitious milestones and action plans for the coming year. Our forward-looking initiatives, including further investments in renewable energy, water conservation, and responsible production, reflect our dedication to driving sustainable growth. As we continue to evolve, we remain focused on creating long-term value and contributing to a more sustainable future for all.

KEY HIGHLIGHTS

1200 tons of Co2 & 625,000 m3 natural Gas saved and 2.3 million KWH produced by solar power generation.

105 tons of Co2 saved from efficient technologies

20% of our total water consumption comes from recycled water.

0.3 m gallons of rainwater stored

SUSTAINABLE DEVELOPMENT GOALS

950,000+ subsidized meals provided

850,000 free rides

839 Linked in courses

25,000+ Patients treated

23,000+ people positively impacted

155 million pet bottles recycled.

300 trees planted

UNSDG 7: AFFORDABLE & CLEAN ENERGY

Gatron is committed to sustainable operations, using advanced energy monitoring systems to optimize a diverse energy portfolio, thereby enhancing efficiency and reducing our environmental impact. Our energy mix includes:

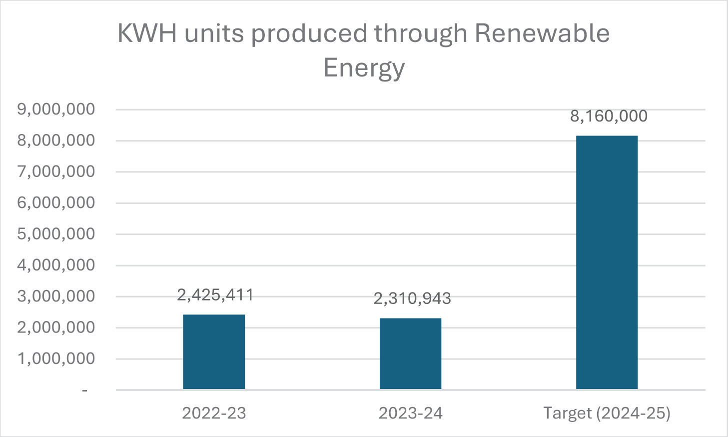
- Gas, Heavy Fuel Oil (HFO), Gas and Steam Turbines, and Solar Power: This diversified approach supports our sustainability goals while ensuring a reliable energy supply.
- Electricity from K-Electric (KE): In addition to self-generation, we purchase electricity from the grid to meet our operational needs when there is a shortage in natural gas supply for our Gas engines. However, this supply from the grid is not reliable.
- Heating from Biomass: The company is working on a project to use Biomass for its heating requirement instead of Gas and HFO
- Future Wind Power Facility: We are also studying a wind power facility in the Hub district, further expanding our renewable energy initiatives.

Commitment to Renewable Energy

- Installed Capacity and Environmental Impact: Gatron has 1,535 kW of solar power capacity, which annually saves 1,200 tons of CO_2 emissions and 625,000 cubic meters of natural gas, significantly contributing to our renewable energy efforts and reducing our environmental footprint.

- Expansion Plans: We are in the process of installing an additional 1 MW of solar capacity and plan to explore a further 3.5 MW this year, aimed at enhancing energy efficiency and sustainability.

- Current and Future Renewable Energy Usage: Currently, 2% of our total energy consumption is derived from renewables, with solar power generating 2.3 million units this year. We are committed to increasing the share of renewable energy to at least 5% by tripling our solar generation capacity in the near future, and will be producing around 8.6 million units, further driving our sustainability goals and reducing our carbon footprint.



Energy Efficiency Projects

- Polymerization Plant Upgrades:
  o Reduced energy consumption by 20% with efficient and latest technology.
  o Annual savings of 185 MWH of energy.
  o Significant reduction in CO_2 emissions.

- Efficient Energy Generation Engines:
  o Savings of 34,000 cubic meters of natural gas annually.
  o Reduction of 105 tons of CO_2 emissions.

- Heat Recovery Systems (HRSG and WHRB):
  o Improved thermal insulation and energy retention.
  o Savings of 3.3 million cubic meters of natural gas, an increase by 2%.

- Air Compressors:
  o Investment in efficient air compressors led to annual energy savings of 578,000 kWh.

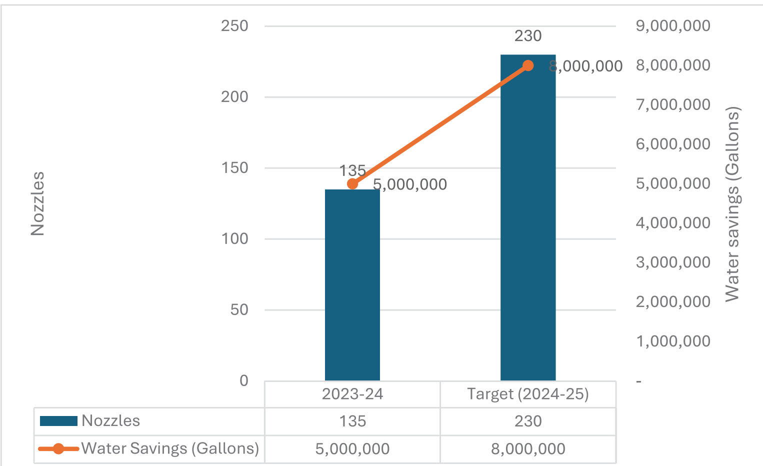
UNSDG 6: CLEAN WATER AND SANITATION

Gatron places a strong emphasis on water conservation as a vital component of its sustainability strategy, demonstrating our commitment to preserving one of the planet's most crucial resources. By recognizing the essential role of water for our operations and the communities we serve, we have implemented a comprehensive water management approach focused on efficiency, waste reduction, and sustainable practices.

- Effluent Treatment Plant (ETP): We utilize advanced technologies to treat and recycle 9.7 million gallons of wastewater annually. This reduces our reliance on fresh water and ensures that discharged water complies with strict environmental standards, safeguarding local ecosystems.

- Reverse Osmosis (RO) and Ultra Filtration Plant: Our RO plant treats blowdown wastewater from our cooling tower, reducing the need for 37 million gallons of fresh water annually, thereby conserving this vital resource.

- High-Efficiency Water Nozzles: The installation of 135 water-saving nozzles has led to annual savings of 5 million gallons of water, supporting more efficient and responsible water use. Additionally, we have identified 95 potential sites for further nozzle installations in the coming year, which will contribute significantly to future water conservation efforts.



- Dissolved Air Flotation (DAF) System: The DAF system treats and reuses 5 million gallons of backwash water from the Ultrafiltration (UF) plant, enhancing our water recycling efforts and overall efficiency.

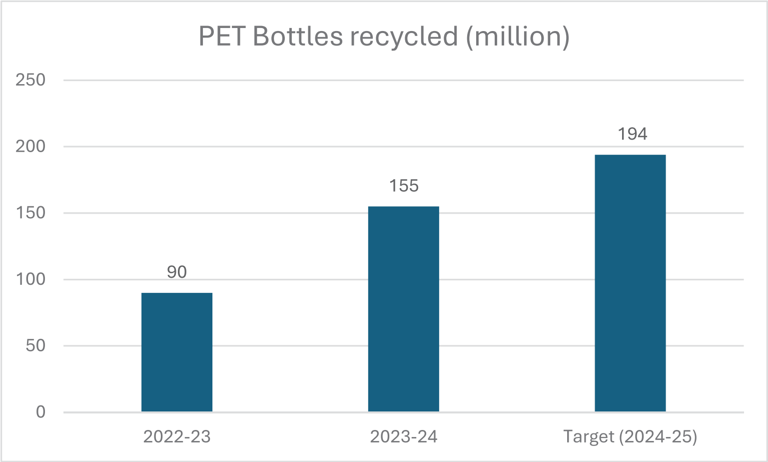
Through these strategic water conservation efforts, Gatron recycles 20% of its total water consumption, aligning with UN Sustainability Goal 6. By setting a standard for responsible water management in the industrial sector, our commitment to innovative water practices reflects our dedication to sustainability and our responsibility to future generations.

UNSDG 12: RESPONSIBLE CONSUMPTION & PRODUCTION

Gatron is dedicated to responsible consumption and production, optimizing resource utilization and implementing sustainable practices:

Key initiatives include:

- Waste Minimization: This year, we have recycled over 155 million plastic bottles to produce high-quality recycled polyester yarn, branded as Ecoron. This initiative not only significantly reduces waste but also helps in lowering our carbon footprint by giving plastic a second life.



- Resource Efficiency: Through investments in energy-efficient technologies, such as advanced air compressors and heat recovery systems, we have successfully conserved energy and reduced natural gas consumption. These efforts lead to more sustainable production processes and a reduction in emissions.

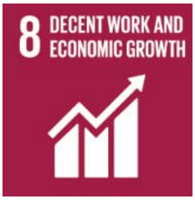
- Sustainable Product Innovation: Our commitment to sustainability is reflected in our development of environmentally friendly products that support a circular economy. By prioritizing the use of recycled materials in our manufacturing processes, we contribute to a more sustainable supply chain.

- Engagement and Education: We actively involve our employees and local communities in our sustainability initiatives, raising awareness about the importance of responsible consumption and waste reduction.

- Tree Plantation Drive: Gatron has made a significant contribution to responsible environmental stewardship by planting 300 trees within our premises. In the coming year, we plan to collaborate with local authorities to extend our efforts by implementing a large-scale tree plantation initiative along Hub River Road. This initiative will further our commitment to sustainable practices, reduce our carbon footprint, and enhance the local environment, aligning with our goal of promoting responsible consumption and production.

By continuously improving our practices and innovating in resource management, Gatron strives to meet and exceed the goals of responsible consumption and production, ensuring a sustainable future for all.

UNSDG 8: DECENT WORK & ECONOMIC GROWTH



At Gatron, we are committed to promoting inclusive and sustainable economic growth and ensuring decent work for all employees. Our dedication to UN SDG 8 is reflected in various initiatives designed to enhance the well-being of our workforce and contribute positively to the local community.

- Employee Welfare:
    - Subsidized Food: We offer our employees affordable, nutritious meals through in-house catering facilities that adhere to strict hygiene standards. This year, we provided approximately 950,000+ subsidized meals, ensuring our workforce has access to quality food at minimal cost.
    - Housing Facilities: To address housing challenges, we have constructed free accommodation facilities for over 800 workers, offering them secure and comfortable living conditions.
    - Transportation Facilities: We offer complimentary transportation services to all employees and workers, providing 850,000 free rides this year. Covering the entire Hub region and Karachi, this service ensures a smooth and convenient commute. By providing free transportation, we enhance accessibility, contributing to both the well-being and job satisfaction of our workforce.
- Employee Engagement: We actively engage our employees through various events and activities, including Eid celebrations, Independence Day (14th August) festivities, dinners, Hajj balloting (providing 5 people with the opportunity to perform Haj each year), town hall meetings, and retirement emails.

- Training and Development: We invest in our employees' professional growth by offering training programs. This year, our employees have successfully completed 839 LinkedIn courses, providing them with opportunities to enhance their skills and knowledge.

- Talent Management: Our talent management strategy includes the implementation of SAP SuccessFactors, KPIs, and a performance management system to ensure effective monitoring and development of employee performance. Additionally, we conduct regular health risk assessments for workers in our polymer plant to ensure their well-being.

Through these comprehensive efforts, Gatron strives to create a supportive and enriching work environment, contributing to sustainable economic growth and the overall well-being of our workforce.

UNSDG 3: GOOD HEALTH & WELL-BEING

Gatron is dedicated to ensuring the health and well-being of its employees and the surrounding communities through various initiatives:

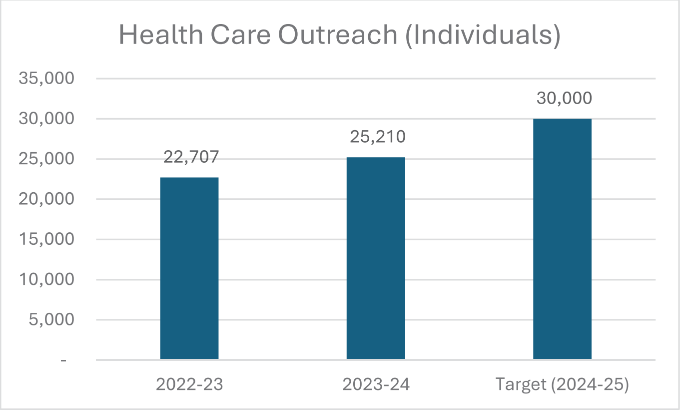
- Sina Clinic Inauguration Ceremony: In early 2024, Gatron Foundation, a welfare wing of the group, partnered with Sina Clinic to establish a new healthcare facility in Baldia, Karachi, which officially opened during the 2024-25 period. With a capacity to treat over 3,500 patients, the clinic is dedicated to offering high-quality medical services to the poor and underserved.

The inauguration ceremony was held at the newly established clinic, which was beautifully decorated, with a prominent "Sina Clinic Inauguration" banner displayed at the entrance. The event’s highlight was the ribbon-cutting ceremony, symbolizing the clinic's official opening. The chief guest, Mr. Pir Muhammad Diwan, Founder of Gatron (Industries) Limited and Gatron Foundation, along with the CEO of Gatron (Industries) Limited and other dignitaries, participated in the ribbon cutting.

The successful inauguration of Sina Clinic underscored its mission to deliver compassionate, accessible, and excellent healthcare to those in need. The event reflected the clinic's commitment to these values, setting an encouraging tone for its future operations.

- In-house Clinic Facilities: Gatron operates an in-house clinic to provide immediate and accessible healthcare services to its employees. This ensures that workers can receive medical attention without leaving the workplace, thereby promoting a healthier workforce.

- Sponsorship of Eye Care Unit at Uthal: Gatron Foundation sponsors an eye care unit at Uthal, where comprehensive eye care services are provided to the community. In the year 2023-24, this facility conducted 23,761 outpatient department (OPD) consultations and performed 1,449 eye surgeries. By supporting this initiative, Gatron is contributing to the prevention of blindness and the improvement of eye health in the region.

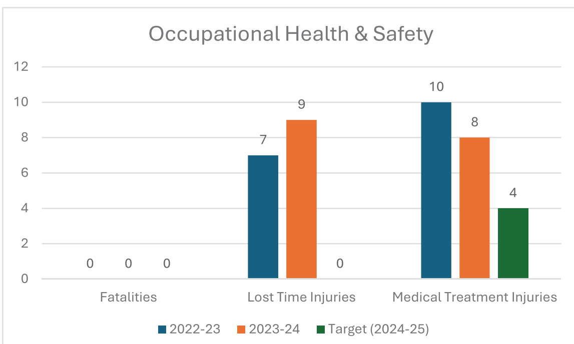


- Distribution of Rations and Suits: To further support the health and well-being of its employees, Gatron Foundation has provided more than 5,800 ration bags and distributed suits to over 4,000 workers. These initiatives not only contribute to the nutritional and economic well-being of employees but also enhance their overall quality of life.

- Health and Safety Training: Gatron conducted 15 in-house health and safety training sessions, focusing on best practices and protocols to maintain a safe working environment. These sessions were attended by numerous employees, demonstrating our commitment to fostering a culture of safety. Additionally, an external training session was organized, with Mr. Asghar from Novatex Limited, invited to share his expertise, further enhancing our safety knowledge.

- Personal Protective Equipment (PPE): To reinforce safety standards, Gatron has made the use of PPE, including helmets and safety shoes, mandatory for all employees and workers. These protective measures are crucial in preventing injuries and ensuring a safe workplace environment.

- Safety Performance: Thanks to our rigorous safety protocols and continuous training efforts, we have successfully reported zero fatalities this year. However, we did record 9 Lost Time Injuries (LTI) and 8 Medical Treatment Injuries (MTI), which are being carefully analyzed to prevent future incidents.



Through these efforts, Gatron demonstrates its commitment to enhancing the health and well-being of its employees and the communities it serves. By prioritizing health initiatives, Gatron aligns with Goal 3's objective of ensuring healthy lives and promoting well-being for all ages, underscoring its role as a responsible and caring employer.

HUMAN RESOURCE MANAGEMENT
RISK MANAGEMENT
FIRE AND SAFETY
INFORMATION TECHNOLOGY

HUMAN RESOURCE MANAGEMENT

At Gatron (Industries) Limited (as part of Gatronova), we are committed to our vision of becoming the employer of choice, providing opportunity through a coherent and planned framework for employees to be hired, managed and developed in ways that supports the achievement of long-term goals of the organization and create maximum shareholder value. We have built a team that is dedicated to work in a high-performance culture with individual goals well-aligned with the organizational goals under an enabling environment developed through global best practices, digitalization, and a focus on employee well-being.

We have developed a robust Human Resource function which has been structured around the operating model of HR Business Partnership, Center of Excellence (CoE), Talent Acquisition, and HR Operations. CoE's primary role is to identify major HR challenges and then design various HR programs to address those challenges through well-defined frameworks based on global best practices. Strategic HR programs and interventions are rolled-out through the HR Business Partnership team which are top collaborators, internal consultants, and enablers who work closely with other functions to facilitate in achievement of organizational goals by managing the change effectively.

Under the Organization's broader Digital Transformation Agenda, the Human Resources function has achieved significant milestones with the implementation of state-of-the-art HRMS solution SAP SuccessFactors digitalizing our HR Processes and enabling effective Human Capital Management, Recruitment, Performance Management, Learning & Development, HR & Onboarding / Offboarding Operations, Compensation & Benefits, and Payroll Administration. We have also acquired modern tools such as LinkedIn Jobs for expanding our reach to employ the best talent for our organization, and also introduced LinkedIn e-Learning solution for the development of our team into a cluster of high performers taking the organization into the future.

Gatron (Industries) Limited (Gatronova), is also undergoing major cultural transformation through a strong focus on Diversity, Equity & Inclusion (DEI) with the company employing and giving opportunities to top talent regardless of gender, class, race, religion, and background. The company is focusing on creating a strong gender-balance, focusing on the employment of females at all levels of the organization, and also conducting gender-sensitization sessions across the group. Moreover, the company has also been focusing on developing future leaders under Gatronova Trainee Programs for SAP Trainees, Functional / Management Trainees, CA / ACCA Trainees, and Graduate Trainee Engineers, future-proofing the organization for long-term sustainable success.

The company employs the best resources in its optimized Organizational Structures through a strong process that highlights high-potential, cognitive assessed people with the organization's identified Core Competencies aligned with the organization's objectives, and the right set of Technical & Behavioral Competencies aligned with well-defined Job Descriptions to build an organization that can satisfy all stakeholders delivering maximum value and success.

RISK MANAGEMENT

In Pakistan's dynamic industrial landscape, particularly within the polyester yarn and preforms sectors, effective risk management is essential for sustainable growth. Our insurance portfolio is thoughtfully designed to cover a broad spectrum of risks, including property damage, business interruption, marine and motor. This comprehensive coverage provides a robust safety net for our business and stakeholders.

Our strategy is built on the effective use of risk transfer through insurance. This approach enables us to share the financial impact of unforeseen events with our trusted insurance and reinsurance partners. By leveraging this method, we manage potential losses more effectively, strengthen our financial stability, and focus on innovation and growth, confident that we are protected against unexpected challenges.

This year, we have enhanced our risk management practices by partnering with international risk consultants and leading industry experts in Pakistan. These collaborations have offered us valuable insights and strategies, allowing us to refine our risk management approaches and align our insurance programs with international best practices.

Our commitment to robust risk management and insurance coverage underscores our dedication to adapting to emerging risks and protecting our assets. We remain committed to maintaining stakeholder trust and navigating the complexities of the business environment with resilience and foresight.

FIRE AND SAFETY MANAGEMENT

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

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

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

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

In addition, all spark potential activities and other critical activities are being followed by the

Work Clearance Management System (new launched SAP Module) The company has inducted a fire tender to tackle fire emergency situations at any corner of the plant. Furthermore, one ambulance is always available and ready at our operational facility with adequate equipment/accessories for shifting injured person to the hospital.

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

Emergency cabinets are placed at different critical locations of plants and at office premises with maximum stock of personal protective equipment and rescue items.

Health Safety Environment Department's Representatives conduct Fire Safety Risk Assessment Surveys to identify fire safety hazards on regular basis for reduction of workplace hazards and also issue stop card through email to the concerned department for corrective action.

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

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

Health Safety Environment Department has developed following manuals/booklets:

- Emergency Response Manual
- Business Continuity Plan
- Small pocket size Fire Safety Guide Book in Urdu provided to all employees for study and review
- Project Fire & Safety (Passive and Active Management System) Guide Lines
- HSE Management System Code Of Practices
- Contractor Fire & Safety Management System

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

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

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

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

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

Our aim for the years to come is "Zero". We have set our objective to reduce our Lost Time Injury cases by "50%" in the year 2023-24 and "75%" by June 2025. Which means that 5 injuries in the year 2022 and 2 injuries by the year 2025.

Safety is Gainful & Accident is Painful

INFORMATION TECHNOLOGY

Gatron Industries Limited has implemented SAP S/4 HANA to achieve its Digital Transformation goals. The initiative was part of the future proofing strategy to ensure that standardized processes and best practices are implemented pivoting the organization from people centric to process centric approach.

As part of the overall automation and digitalization strategy, we have implemented SAP Ariba for end-to-end automation of supply chain processes. This has enabled efficient procurement processes, real-time visibility into the process, faster time to project delivery and reduced costs.

As part of the strategy to continuously enhance our employees' skills and expertise, who are our most valuable resources, we have incorporated the best learning platform i.e. LinkedIn Learning which is integrated with SAP Success Factor to deliver quality training from office or at home, round the clock. Also, a holistic Performance and Goal Management system is implemented through Success Factors. It would enable better employee experience and streamlined HR related processes execution.

To fully leverage data for decision making, a robust Data Governance System has been put in place, though which Gatron Industries Limited has achieved a holistic Data Governance Framework and automated the process of Master Data Governance through centralized MDG tool. MDG tool provides central data quality checks and deduplication of master across systems resulting in improved planning and reporting.

To enhance Gatron Industries' IT governance practices, we have developed a comprehensive framework through strategic planning. This framework ensures efficiency, security, and alignment with Gatronova's business objectives. Key features include aligning IT strategies with business goals, proactive risk management and compliance, clear decision-making processes with defined roles and responsibilities, robust cybersecurity measures with regular assessments and proactive monitoring, and performance measurement through integrated metrics and KPIs. This approach enables us to track progress, identify areas for improvement, and demonstrate the value of our IT initiatives.

To further enhance and streamline the planning process, Production Planning and Detailed Scheduling (PP/DS) was also implemented which helps in improved production planning, resource allocation, reducing inventory costs and real-time visibility into production processes enabling quick response to changing market dynamics. This enabled planning based on heuristics which resulted in increased production throughput, better production and procurement planning and improved on time delivery performance.

On GRC front, Position based Roles and Authorization were implemented with SAP GRC Access Control. Gatron (Industries) Limited now has the capability to provide access to its critical information assets based on Golden rule set including but not limited to Segregation of Duties and Fire Fighter IDs. UI masking was also implemented to mask critical information and only make it available on need-to-know basis within the system.

Integrations with Banks and Shop floor through a service layer was also implemented to ensure secure interaction between systems and shop floor equipment. Pakistan s first Treasury and Risk Management module was also implemented during this period to manage the borrowings and optimize their financial risks.
Warehouse operations were automated using QR Code based handheld devices for issuance, bin to bin transfer and dispatches using handheld devices for accurate real time warehouse operations.

Enterprise class Data Warehouse has also been implemented to ingest data from multiple data sources and leverage the same data for analytics and planning in future. Selected reporting has already been developed leveraging this data using SAP AFO capabilities.

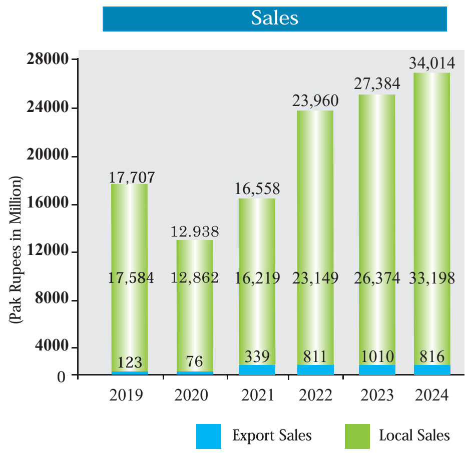
In the next year, the focus would be on optimization of these technologies as well as implementation of full fledge Augmented Analytics and Planning function and Integrated Business Planning functionalities.

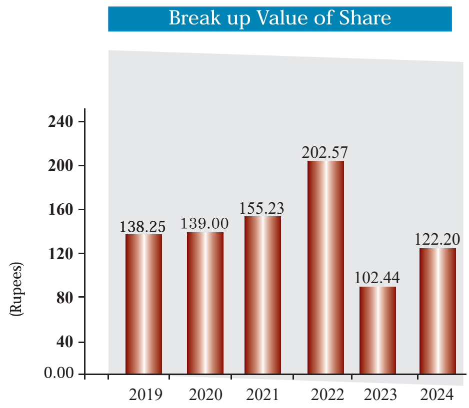
Financial Highlights

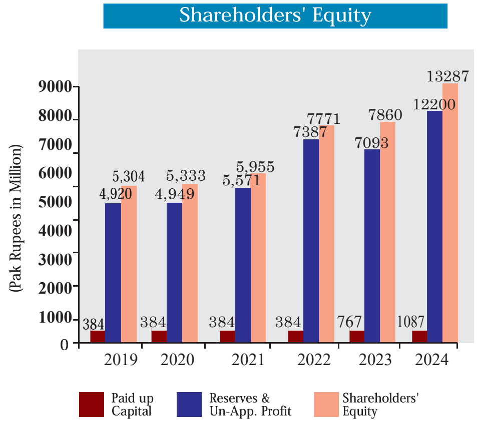
Particulars	2023	2022	2021	2020	2019	2018
Operating Results						
Pak Rupees in Thousands						
Sales	27,383,780	23,959,654	16,557,561	12,938,377	17,707,325	13,006,437
Gross Profit/(loss)	1,453,630	3,176,386	1,866,775	945,052	1,655,654	1,247,390
Operating Profit/(loss)	553,468	2,646,192	1,316,094	451,250	1,001,225	653,512
Profit/(loss) after taxation	205,300	1,827,244	1,065,724	1,060,633	1,794,735	981,856
Percentage						
Dividend - Final	30.00	0.00	0.00	125.00	265.00	102.50
Financial Position						
Pak Rupees in Thousands						
Paid up Capital	767,290	383,645	383,645	383,645	383,645	383,645
Reserves & unappropriated profit	7,092,777	7,387,797	5,571,507	4,949,084	4,920,353	3,889,724
Property, Plant & Equipment	16,938,295	9,769,076	5,949,200	3,577,722	2,359,404	1,843,643
Current Assets	19,999,229	13,366,480	8,272,998	5,699,899	5,784,987	5,059,281
Current Liabilities	19,864,692	9,407,985	5,562,385	3,362,395	2,946,343	2,891,778
Net Current Assets	134,537	3,958,495	2,710,613	2,337,504	2,838,644	2,167,503
Long Term Liabilities	8,179,328	5,696,304	2,840,439	1,174,783	126,540	-
Deferred Liabilities	1,672,727	795,533	502,344	415,372	373,162	337,260
Financial Ratios & Percentages						
Percentages						
Gross Profit/(Loss) Ratio	5.31	13.26	11.27	7.30	9.35	9.59
Return on Capital Employed	9.62	20.86	16.05	25.53	39.03	25.90
Return on Equity	2.61	23.51	17.90	19.89	33.84	22.98
Number of Times						
Inventory Turnover	2.93	4.09	4.71	4.58	5.76	4.77
Debtors Turnover	6.60	6.64	6.46	6.88	13.33	9.45
Total Assets Turnover	0.89	1.24	1.32	1.36	2.18	1.73
Fixed Assets Turnover	2.05	3.05	3.48	4.36	8.43	6.73
Interest Cover	1.52	9.30	11.48	8.15	137.63	86.43
Ratio						
Debt-Equity	53 : 47	43 : 57	32 : 68	18 : 82	2 : 98	0 : 100
Current Ratio	1.01 : 1	1.42 : 1	1.48 : 1	1.70 : 1	1.96 : 1	1.75 : 1
Per Share Results and Returns						
Pak Rupees						
Break-up Value	102.44	101.28	155.23	139.00	138.25	111.39
Earnings per Share – Basic and diluted*	2.61	23.81	27.78	27.65	46.78	25.59
Dividend per Share	3.00	0.00	0.00	12.50	26.50	10.25
Percentages						
Dividend Yield	1.33	0.00	0.00	2.17	9.37	4.61
Dividend Pay Out	112.12	0.00	0.00	45.21	56.65	40.05
Number of Times						
Price Earning Ratio – Year end price*	84.35	17.51	17.11	20.80	6.04	8.70
Share Performance						
Pak Rupees						
Highest	489.99	450.00	619.99	575.12	360.00	280.00
Lowest	225.70	399.00	412.00	282.28	211.00	80.00
At year end	225.70	417.00	475.20	575.12	282.78	222.56

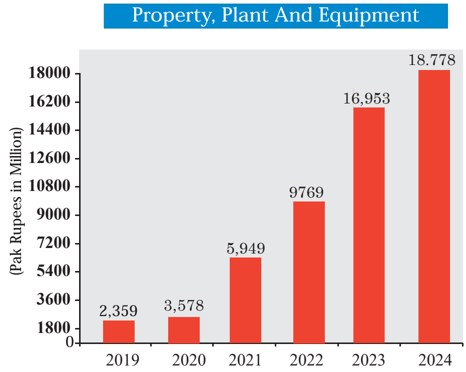
*Restated

Graphical Presentation









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CHARTERED ACCOUNTANTS

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

Review Report on the Statement of Compliance contained in 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, 2024 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, 2024.

Kreston Hyder Bhimji & Co.
Chartered Accountants
Karachi: October 04, 2024
UDIN Number: CR202410225yK8J4W1dS

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

Name of company: Gatron (Industries) Limited
Year ended: June 30, 2024

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 is 10 (Ten) as per the following:

a) Male:	9
b) Female:	1

2. The composition of board is as follows:

a) Independent Directors	Mr. Talat Iqbal * Mr. Muhammad Tufail Iqbal * Ms. Huma Rafique *
b) Other Non-Executive Directors	Mr. Abdul Razak Diwan Mr. Zakaria Bilwani Mr. Muhammad Iqbal Bilwani Mr. Saqib Haroon Bilwani Mr. Muhammad Altaf Bilwani
c) 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 is serving as a director of more than seven listed companies, including this company.

4. The company has prepared the 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("CCG Regulations").

7. The meetings of the board were presided over by the Chairman. The board has complied with the requirements of the Act and the CCG Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have formal policy and transparent procedures for remuneration of directors in accordance with the Act and the CCG Regulations.

9. Out of ten, nine 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. During the year, one Director obtained certificate from the PICG for Director's Training Program.

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

11. The duties of the Company Secretary and Chief Financial Officer are segregated and comply with the relevant requirements of the CCG Regulations.

12. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before the approval of the board.

13. The board has formed committees comprising of members given below:

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

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

15. The frequency of meetings of the committees was as follows:

a) Audit Committee:	04 meetings
b) HR and Remuneration Committee:	04 meetings

16. The board has set up an effective internal audit function who are considered suitable qualified and experienced for the purpose and 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 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. Statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the CCG 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 other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

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

S.No.	Reg. No.	Requirement	Explanation
1	10	All directors of a company shall attend its general meeting(s), (ordinary & extraordinary unless precluded from doing so due to any reasonable cause.	The Chief Executive, who is also a director of the Board, attended the 43rd Annual General Meeting, and five (05) directors attended the Extraordinary General Meeting on December 4, 2023. The other directors could not attend due to other important official engagements.
	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.
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 out a review of the effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a risk management committee as risk management framework is effectively managed at Company's level by the executive committee which is headed by the CEO and the CEO apprises the Board accordingly.

SHABBIR DIWAN
CHIEF EXECUTIVE OFFICER

MUHAMMAD IQBAL BILWANI
DIRECTOR

October 4, 2024

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CHARTERED ACCOUNTANTS

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, 2024, 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 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, 2024 and of the loss and other comprehensive loss, 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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

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

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Following are the Key audit matters:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	Property, plant and equipment During the year, the Company has incurred significant capital expenditures as disclosed in note 4 of the annexed un-consolidated financial statements. Capital expenditures incurred during the year represent significant transactions and involve judgments in respect of capitalisation of elements of eligible components of costs, including borrowing costs, as per the applicable reporting standards in determining, when the assets are available for use and estimation of their useful lives and residual value. Accordingly, we have identified the capital expenditure and as a key audit matter.	Our audit procedures included the following: ➢ Obtaining an understanding of the Company's process with respect to capital expenditure including determination of useful lives and testing the Company's controls in this area; ➢ Evaluated whether the components of capitalized cost including borrowing cost meet the recognition criteria for capitalization as set out in the relevant applicable accounting standard; ➢ Checked the timing of capitalisation by examining, on a sample basis, relevant completion certificates and other related information; ➢ Examined, on a sample basis, vendors' agreements, invoices and payments made for acquisition, installations of the operating assets capitalized during the year in order to assess the nature, occurrence and the accuracy with which the costs were capitalized; and ➢ Assessed the adequacy of the Company's disclosures in accordance with the applicable financial reporting framework.

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.

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

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

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

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

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

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

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

Chartered Accountants
Karachi:
Dated: October 04, 2024
UDIN: AR2024102255fwbsjAy3

Un-consolidated Statement of Financial Position

AS AT JUNE 30, 2024

	Note	2024	2023
		(Rupees in Thousand)	
ASSETS			
Non - Current Assets			
Property, plant and equipment	4	18,778,042	16,953,095
Intangible assets	5	60,152	70,177
Long term investments	6	509,463	389,745
Long term loans	7	405,475	174,449
Long term deposits	8	6,936	4,919
		19,760,068	17,592,385
Current Assets			
Stores, spare parts and loose tools	9	1,990,321	1,579,468
Stock in trade	10	7,503,024	11,386,739
Trade debts	11	3,516,225	3,975,789
Loans and advances	12	460,483	295,514
Current portion of long term loans	13	35,584	74,848
Trade deposits and short term prepayments	14	71,525	389,068
Other receivables	15	884,648	1,846,390
Advance income tax		70,000	100,000
Cash and bank balances	16	297,008	336,613
		14,828,818	19,984,429
TOTAL ASSETS		34,588,886	37,576,814
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	1,087,290	767,290
Capital reserves	18	11,656,603	6,383,645
Unappropriated profit		543,270	709,132
		13,287,163	7,860,067
LIABILITIES			
Non - Current Liabilities			
Long term financing	19	8,507,127	8,179,328
Lease liability against right of use assets	20	107,749	-
Deferred liabilities and income	21	1,340,828	1,672,727
		9,955,704	9,852,055
Current Liabilities			
Trade and other payables	22	5,522,641	9,244,061
Unclaimed dividend		8,219	21,055
Unpaid dividend	23	20,801	20,801
Accrued mark up/ profit	24	543,012	882,396
Short term borrowings	25	3,579,563	8,474,415
Current portion of long term financing	19	1,196,089	732,545
Current portion of lease liability against right of use assets	20	15,020	-
Current portion of deferred liabilities and income	26	254,090	233,987
Provision for income tax less payments	27	206,584	255,432
		11,346,019	19,864,692
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		34,588,886	37,576,814

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

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

Buying/Selling closing conversion rates were 1 US$ = Rs.278.30/278.80, 1 Euro € = Rs.297.98/298.54 and 1 Pound £ = Rs.351.22/351.85

Un-consolidated Statement of Profit or Loss
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023 Restated
		(Rupees in Thousand)	
Sales	29	34,013,581	27,383,780
Cost of sales	30	31,926,722	25,930,150
Gross profit		2,086,859	1,453,630
Distribution and selling costs	31	301,996	383,738
Administrative expenses	32	561,347	499,156
Other operating expenses	33	120,664	91,867
		984,007	974,761
		1,102,852	478,869
Other income	34	289,650	74,599
Operating profit		1,392,502	553,468
Finance costs	35	1,494,587	1,074,505
		(102,085)	(521,037)
Investment income - Dividend	36	8,538	1,072,313
(Loss)/profit before levies and income tax		(93,547)	551,276
Levies	37	424,411	338,675
(Loss)/profit before income tax		(517,958)	212,601
Income tax - Current & Prior		(94,553)	-
- Deferred		(219,047)	7,301
	38	(313,600)	7,301
(Loss)/profit for the year		(204,358)	205,300
(Loss)/earnings per share - Basic and diluted (Rupees)	39	(2.36)	2.61

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

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

Un-consolidated Statement of Comprehensive Income
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in Thousand)	
(Loss)/profit for the year		**(204,358)**	205,300
Items that will never be reclassified to profit or loss			
gain/(loss) on remeasurement of defined benefit plan having nil tax impact	**21.2**	**38,496**	(1,581)
Total comprehensive (loss)/income		**(165,862)**	203,719

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

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

Un-consolidated Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital	Capital reserve (Note 18)	General reserve	Unappropriated (loss) / profit	Total
	(Rupees in Thousand)				
Balances as at July 01, 2022	383,645	383,645	3,250,000	3,754,151	7,771,441
Total comprehensive income for the year ended June 30, 2023					
Profit for the year	-	-	-	205,300	205,300
Other comprehensive loss	-	-	-	(1,581)	(1,581)
	-	-	-	203,719	203,719
Transfer to capital reserves	-	6,000,000	(3,250,000)	(2,750,000)	-
Transactions with owners					
Interim cash dividend for the year ended June 30, 2023 at Rs.3.00 per share i.e. @30%	-	-	-	(115,093)	(115,093)
Issuance of Bonus shares @100% i.e. Rs.10 per share	383,645	-	-	(383,645)	-
	383,645	-	-	(498,738)	(115,093)
Balances as at June 30, 2023	767,290	6,383,645	-	709,132	7,860,067
Total comprehensive loss for the year ended June 30, 2024					
Loss for the year	-	-	-	(204,358)	(204,358)
Other comprehensive income	-	-	-	38,496	38,496
	-	-	-	(165,862)	(165,862)
Subscription of shares against right issue @41.7052% at a premium of Rs.165 per share	320,000	5,280,000	-	-	5,600,000
Share issue cost	-	(7,042)	-	-	(7,042)
Balances as at June 30, 2024	**1,087,290**	**11,656,603**	**-**	**543,270**	**13,287,163**

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

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

Un-consolidated Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in Thousand)	
Cash Flows from/(towards) Operating Activities			
(Loss)/profit before levies and income tax		(93,547)	551,276
Adjustments for:			
Depreciation	4.2	863,848	932,071
Depreciation on right of use assets	4.6.1	23,720	-
Provision for defined benefit plan	21.2	130,509	89,744
Gain on disposal of property, plant and equipment	34	(22,088)	(5,040)
Impairment in long term investments	33	38,357	26,316
Impairment/(reversal) of allowance for ECL-net	11.7	52,641	(3,501)
Impairment allowance for slow moving stores, spare parts and loose tools-net	9.1	21,034	16,189
Amortization of interest free long term loan to subsidiary company	34	(41,722)	(18,463)
Amortization of intangible asset	5	10,025	10,025
Remeasurement gain on discounting of provision for GIDC	34	(12,664)	(4,417)
Investment income - Dividend	36	(8,538)	(1,072,313)
Finance costs	35	1,494,587	1,074,505
		2,549,709	1,045,116
		2,456,162	1,596,392
Decrease/(increase) in current assets:			
Stores, spare parts and loose tools		(431,887)	(280,584)
Stock in trade		3,883,715	(5,068,639)
Trade debts		406,923	350,239
Loans and advances		(164,969)	(33,853)
Trade deposits and short term prepayments		317,543	(163,467)
Other receivables		961,742	(1,294,777)
Sales tax refund due from Federal Government		-	8,634
		4,973,067	(6,482,447)
(Decrease)/increase in Trade and other payables		(3,699,662)	5,591,418
Cash flows from operations before following		3,729,567	705,363
(Payments for)/receipts of:			
Long term loans		(307,915)	(23,891)
Long term deposits		(2,017)	(2,074)
Defined benefit plan	21.2	(35,913)	(25,820)
Finance costs		(1,811,476)	(397,360)
Income tax		(354,418)	(390,530)
Group taxation impact		(964)	(122)
Net cash flows from/(towards) operating activities		1,216,864	(134,434)
Cash Flows (towards)/from Investing Activities			
Additions in property, plant and equipment		(2,602,631)	(8,114,323)
Proceeds from disposal of property, plant and equipment	4.3	44,749	18,073
Additions in intangible assets	5	-	(20,608)
Long term investment made	6.2	(200)	-
Dividend received	36	8,538	1,072,313
Net cash flows towards investing activities		(2,549,544)	(7,044,545)
Cash Flows from/(towards) Financing Activities			
Proceed against issue of share capital net of issuance cost		5,592,958	-
Long term financing - proceeds received		1,420,696	4,123,805
Long term financing - repayments		(780,620)	(228,879)
Payments for lease liability against right of use assets		(32,271)	-
Short term borrowings - net		(635,175)	(550,000)
Dividend paid		(12,836)	(94,618)
Net cash flows from financing activities		5,552,752	3,250,308
Net increase/(decrease) in cash and cash equivalents		4,220,072	(3,928,671)
Cash and cash equivalents at the beginning of the year		(7,337,802)	(3,409,131)
Cash and cash equivalents at the end of the year	40	(3,117,730)	(7,337,802)

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

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

1 THE COMPANY AND ITS OPERATIONS

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

1.2 The Company also wholly owns following Subsidiary Companies:

- Gatro Power (Private) Limited, which is engaged in power generation.

- Global Synthetics Limited, which has yet to commence its operations.

- G-Pac Energy (Private) Limited, which has yet to commence its operations.

2 BASIS OF PREPARATION

2.1 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.

2.2 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2024

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

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

IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes

During the year, the Institute of Chartered Accountants of Pakistan ('ICAP') has withdrawn Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes and the final taxes that are not calculated on the 'taxable profit' as defined in IAS 12 but calculated on turnover or other basis in excess of normal tax liability, and the tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 "Income Taxes" and fall in the ambit of IFRIC 21 "Levies" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Accordingly, the Company has changed its accounting policy to recognize such taxes as 'Levies' which were previously being recognized as 'Income Tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and earnings / loss per share as a result of this change.

	Before change in accounting policy	Impact of adjustment	After Change in accounting policy
Effect on statement of profit or loss			
For the year ended June 30, 2024			
Levies	**-**	**(424,411)**	**(424,411)**
Loss before income tax	**(93,547)**	**(424,411)**	**(517,958)**
Income tax	**(110,811)**	**424,411**	**313,600**
For the year ended June 30, 2023			
Levies	-	(338,675)	(338,675)
Profit before income tax	551,276	(338,675)	212,601
Income tax	(345,976)	338,675	(7,301)

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

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

		Effective from accounting period beginning on or after:
IAS-1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS-7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS-16	Leases (Amendments)	January 1, 2024
IAS-21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS-7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS-17	Insurance Contracts	January 1, 2026
IFRS-9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024.

IFRS - 1	First-time Adoption of International Financial Reporting Standards
IFRS - 18	Presentation and Disclosure in Financial Statements
IFRS - 19	Subsidiaries without Public Accountability: Disclosures
IFRIC - 12	Service Concession Arrangement

2.3 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 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.

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

2.4 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.

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

2.4.1 Property, plant and equipment and Intangible assets

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

2.4.2 Trade debts, advances and other receivables

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

2.4.3 Stock in trade

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

2.4.4 Stores, spare parts and loose tools

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

2.4.5 Defined benefit plan

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

2.4.6 Income tax

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.

2.4.7 Impairment of investment in Subsidiary Companies

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

2.4.8 Contingencies

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

2.4.9 Leases

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

2.5 Functional and presentation currency

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

2.6 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these un-consolidated financial statements are the same as those applied in the preparation of the un-consolidated financial statements of the Company for the year ended June 30, 2023. The principal material policies applied in the preparation of these un-consolidated financial statements are set out below:

3.1 Property, plant and equipment

Recognition and measurement:

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

Depreciation:

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

The Company has changed its estimate of useful life of certain Plant and Machinery by changing the depreciation rate from 15% to 10%.The change in accounting estimate has been applied prospectively in accordance with the treatment specified in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Had this estimate not been changed, the profit for the year would have been decreased by Rs.338.704 million and the value of Property, plant and Equipment would also have been decreased by Rs.338.704 million.

Subsequent costs:

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

Impairment:

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

Write off:

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

Gain or Loss:

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

Right of use assets:

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

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

3.2 Intangible Assets

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

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

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

3.3 Impairment

Financial assets

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

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

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

- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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

Non-financial assets

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

3.4 Investments

Subsidiary Companies

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

3.5 Stores, spare parts and loose tools

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

3.6 Stock in trade

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

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

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

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, 2024.

3.10 Compensated unavailed leaves

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

3.11 Government scheme

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

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

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

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

3.12 Income Tax

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

	Note	2024	2023
		(Rupees in Thousand)	
Operating fixed assets	4.1	**13,803,433**	6,034,197
Capital work in progress	4.5	**4,848,559**	10,904,098
Right of use assets	4.6	**108,825**	-
Advance for purchase of land	28.3.1	**17,225**	14,800
		18,778,042	16,953,095

4.1 Operating fixed assets

Particulars	Land		Building		Office premises	Plant and machinery	Furniture and fixture	Factory equipment	Office equipment	Motor vehicles	TOTAL
	Freehold	Leasehold	On freehold land	On leasehold land							
						(Rupees in Thousand)					
Net carrying value											
Year ended June 30, 2024											
Net book value (NBV) as at 01st July, 2023	53,483	45,574	390	774,711	807	4,914,425	2,573	45,925	12,787	183,522	**6,034,197**
Additions	132,585	-	-	-	-	45,634	-	21,672	-	165,415	**365,306**
Transfer from capital work in progress (note 4.5)	-	-	-	578,844	-	7,711,595	-	-	-	-	**8,290,439**
Less: Disposal at NBV	-	-	-	-	-	-	-	-	2,333	20,328	**22,661**
Less: Depreciation	-	-	39	94,795	81	705,373	515	11,188	2,659	49,198	**863,848**
Net book value as at 30th June, 2024	**186,068**	**45,574**	**351**	**1,258,760**	**726**	**11,966,281**	**2,058**	**56,409**	**7,795**	**279,411**	**13,803,433**
Gross carrying value											
At June 30, 2024											
Cost	186,068	45,574	14,248	1,919,224	3,921	19,260,800	5,316	138,830	22,459	486,306	**22,082,746**
Less: Accumulated depreciation	-	-	13,897	660,464	3,195	7,294,519	3,258	82,421	14,664	206,895	**8,279,313**
Net book value	**186,068**	**45,574**	**351**	**1,258,760**	**726**	**11,966,281**	**2,058**	**56,409**	**7,795**	**279,411**	**13,803,433**
Depreciation rate - % per annum	**-**	**-**	**10**	**10**	**10**	**10 to 30**	**20**	**20**	**20 to 30**	**20**	
Net carrying value											
Year ended June 30, 2023											
Net book value (NBV) as at 01st July, 2022	53,483	45,574	433	830,304	954	5,165,507	2,418	42,956	3,994	176,305	**6,321,928**
Additions	-	-	-	422	-	142,213	650	12,467	10,450	59,813	**226,015**
Transfer from capital work in progress (note 4.5)	-	-	-	27,538	-	403,820	-	-	-	-	**431,358**
Less: Disposal at NBV	-	-	-	-	56	-	-	-	-	12,977	**13,033**
Less: Depreciation	-	-	43	83,553	91	797,115	495	9,498	1,657	39,619	**932,071**
Net book value as at 30th June, 2023	**53,483**	**45,574**	**390**	**774,711**	**807**	**4,914,425**	**2,573**	**45,925**	**12,787**	**183,522**	**6,034,197**
Gross carrying value											
At June 30, 2023											
Cost	53,483	45,574	14,248	1,340,380	3,921	11,503,571	5,316	117,158	25,459	381,635	**13,490,745**
Less: Accumulated depreciation	-	-	13,858	565,669	3,114	6,589,146	2,743	71,233	12,672	198,113	**7,456,548**
Net book value	**53,483**	**45,574**	**390**	**774,711**	**807**	**4,914,425**	**2,573**	**45,925**	**12,787**	**183,522**	**6,034,197**
Depreciation rate - % per annum	-	-	10	10	10	15 to 20	20	20	20 to 30	20	

(Rupees in Thousand)

	Note	2024	2023
4.2 Depreciation for the year has been allocated as follows:			
Cost of sales	30	850,259	917,990
Distribution and selling costs	31	2,151	1,851
Administrative expenses	32	11,438	12,230
		863,848	932,071

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

(Rupees in Thousand)

Description	Cost	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
OFFICE EQUIPMENT						
UPS 10KVA 400V 3S EASY	3,000	2,333	2,450	117	Negotiation	**M/s. Krystalite Products (Pvt) Limited, Karachi** **Related party**
Sub Total	**3,000**	**2,333**	**2,450**	**117**		
MOTOR VEHICLES						
HONDA CITY BPC-288	1,944	656	1,089	433	Company Policy	**Mr. Hanif Khatri** Employee of the company
TOYOTA COROLLA GLI BMX-615	2,129	651	1,179	528	Company Policy	**Mr. Nadeem** Employee of the company
TOYOTA COROLLA GLI BPG-871	2,379	819	1,269	450	Company Policy	**Mr. Faisal** Employee of the company
TOYOTA COROLLA GLI BLX-688	1,969	562	886	324	Company Policy	**Mr. Shahnawaz** Employee of the company
TOYOTA YARIS BSM-361	2,735	1,416	2,463	1,047	Company Policy	**Mr. Shahbaz** Employee of the company
HONDA CITY BPR-391	2,069	698	962	264	Company Policy	**Mr. Tariq Rahim** Employee of the company
TOYOTA FORTUNER AHS-110	6,130	1,848	4,673	2,825	Company Policy	**Mr. Mukhtiar Ali** Employee of the company
HONDA CITY BRM-674	2,527	1,028	2,378	1,350	Company Policy	**Mr. Farhan Uddin Ahmed** Employee of the company
TOYOTA YARIS BYN-731	4,803	3,954	4,512	558	Company Policy	**Mr. Atique Baig** Employee of the company
TOYOTA COROLLA BPZ-538	2,579	870	1,204	334	Company Policy	**Mr. Muhammad Hanif** Employee of the company
TOYOTA COROLLA BPK-665	2,579	808	1,170	362	Company Policy	**Mr. Zainul Abideen** Employee of the company
HONDA BR-V BH-4614	3,217	1,189	1,796	607	Company Policy	**Mr. Abdul Wahab** Employee of the company
Toyota Corolla GLI BPL-945	2,304	707	1,037	330	Company Policy	**Mr. Abdul Wahab Tajwani** Employee of the company
Toyota Altis BQK-431	2,579	863	1,642	779	Company Policy	**Mr. Nadeem Siraj** Employee of the company
Items having book value upto Rs.500 thousand each	20,801	4,259	16,039	11,780	Various	Various
Sub Total	**60,744**	**20,328**	**42,299**	**21,971**		
Total - 2024	**63,744**	**22,661**	**44,749**	**22,088**		
Total - 2023	24,328	13,033	18,073	5,040		

(Rupees in Thousand)

	Note	2024	2023
4.3.1 Detail of net gain on disposal of property, plant & equipment			
Gain on disposal of Property, Plant & Equipment	34	22,088	5,040
		22,088	5,040

4.4 Particulars of Company's immovable operating fixed assets 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	17 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	5,500 Sq. Meters
On Leasehold land	H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	152,200 Sq. Meters
Office Premises	Office#1,3-A, 3-B, 5 & 7 at Textile Plaza, M.A Jinnah Road / Dunolly Road Karachi	350 Sq. Meters
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	Room#7, Saleem Plaza, Jinnah Road, Quetta	105 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, 2023	Additions	Transfer to Operating fixed assets	Balance as at June 30, 2024
Factory building on lease hold land under construction	**873,926**	**377,996**	**(578,844)**	**673,078**
Plant and machinery under erection	**10,030,172**	**1,856,904**	**(7,711,595)**	**4,175,481**
	10,904,098	**2,234,900**	**(8,290,439)**	**4,848,559**

	Balance as at July 1, 2022	Additions	Transfer to Operating fixed assets	Balance as at June 30, 2023
Factory building on lease hold land under construction	313,712	587,752	(27,538)	873,926
Plant and machinery under erection	3,133,436	7,300,556	(403,820)	10,030,172
	3,447,148	7,888,308	(431,358)	10,904,098

4.5.1 It includes borrowing cost of Rs.388.970 million (2023: Rs.706.912 million) and net of with amortization of government scheme amounting to Rs.138.483 million (2023: Rs.97.775 million). Effective rate of borrowing cost ranges between 3% to 22.80% (2023: 3% to 22.67%).

(Rupees in Thousand)

	2024	2023
4.6 Right of use assets		
Rented premises		
Additions during the year	**132,545**	-
Depreciation for the year	**(23,720)**	-
Balance as at end of the year	**108,825**	-

	Note	2024	2023
		(Rupees in Thousand)	
4.6.1 Allocation of depreciation			
Distribution and selling costs	31	5,579	-
Administrative expenses	32	18,141	-
		23,720	-

5 INTANGIBLE ASSETS

	Note	2024	2023
Software & licences			
Balance as at start of the year		70,177	59,594
Additions during the year		-	20,608
		70,177	80,202
Amortization during the year	32	(10,025)	(10,025)
Balance as at end of the year		60,152	70,177
Useful life		8 Years	8 Years

6 LONG TERM INVESTMENTS

Wholly Owned Subsidiary Companies-Unquoted

	Note	2024	2023
22.575 million (2023: 22.575 million) shares i ncluding 7.525 million bonus shares in Messrs. Gatro Power (Private) Limited	6.1	150,500	150,500
55,000 (2023: 35,000) shares in Messrs. Global Synthetics Limited	6.2	550	350
Impairment loss	6.3	(400)	(349)
		150	1
25 million (2023: 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	221,916	64,041
Impairment loss	6.6	(113,103)	(74,797)
		358,813	239,244
		509,463	389,745

6.1 The value of investment on the basis of the net assets, as reported in its audited financial statements as at June 30, 2024 amounted to Rs.1,677.857 million (2023: Rs.1,913.570 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, 2024 amounted to Rs.150 thousand (2023: Rs.1 thousand).

	Note	2024	2023
		(Rupees in Thousand)	

6.3 Impairment loss

Balance as at start of the year		**349**	325
Charge for the year		**51**	24
Balance as at end of the year		**400**	349

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, 2024 amounted to Rs.358.813 million (2023: Rs.239.244 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		**74,797**	48,505
Charge for the year		**38,306**	26,292
Balance as at end of the year		**113,103**	74,797

7 LONG TERM LOANS - Considered good

Unsecured - Interest free

	Note	2024	2023
To subsidiary company - M/s. G-Pac Energy (Private) Limited		**244,209**	231,795
Addition during the year		**364,750**	158,159
Repayment during the year		**(63,550)**	(145,745)
	7.1	**545,409**	244,209
Present value adjustment taken to long term investments	6.5	**(221,916)**	(64,041)
Amortization of long term loan	7.2	**95,087**	53,365
		418,580	233,533
Current portion of long term loan to subsidiary company	13	**(22,500)**	(61,850)
		396,080	171,683
Secured - Interest free			
To employees other than Chief Executive & Directors	7.3 & 7.4	**22,479**	15,764
Amount due in twelve months shown under current assets	13	**(13,084)**	(12,998)
Recoverable within three years		**9,395**	2,766
		405,475	174,449

7.1 This represents interest free long term loan given to Subsidiary Company Messrs. G-Pac Energy (Private) Limited for likely period of three years.

7.2 The Company has recorded the interest free long term loan given to Subsidiary Company Messrs. G-Pac Energy (Private) Limited at its present value by discounting the future cash flows at risk free rate. The amount of difference between loan and its present value shall be amortized during the tenor of loan.

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

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

	Note	2024	2023
		(Rupees in Thousand)	
8 LONG TERM DEPOSITS			
Security deposits for utilities and others		**6,936**	4,919
9 STORES, SPARE PARTS AND LOOSE TOOLS			
In hand:			
Stores		**920,101**	479,563
Spare parts		**1,176,466**	1,131,455
Loose tools		**6,822**	7,899
		2,103,389	1,618,917
Impairment allowance for slow moving stores, spare parts and loose tools	9.1	**(117,911)**	(96,877)
		1,985,478	1,522,040
In transit		**4,843**	57,428
		1,990,321	1,579,468
9.1 Impairment allowance for slow moving stores, spare parts and loose tools			
Balance as at start of the year		**96,877**	80,688
Provision during the year	33	**21,034**	16,189
Balance as at end of the year		**117,911**	96,877
10 STOCK IN TRADE			
Raw and packing material		**2,255,082**	4,300,342
Raw and packing material in transit		**4,122**	2,278,263
Goods in process		**1,392,301**	429,650
Unfinished goods held for sale	10.1	**32,744**	280,595
Finished goods	10.2	**3,818,775**	4,097,889
		7,503,024	11,386,739

10.1 These include items costing Rs.Nil (2023: Rs.530.595 million) valued at net realizable value of Rs.Nil (2023: Rs.280.595 million).

10.2 These include items costing Rs.90.368 million (2023: Rs.28.416 million) valued at net realizable value of Rs.74.586 million (2023: Rs.21.035 million).

	Note	2024	2023
		(Rupees in Thousand)	
11 TRADE DEBTS			
Considered good			
Secured			
Local		-	31,094
Export	11.1 & 11.2	38,146	252,051
	11.3	38,146	283,145
Unsecured - local	11.4, 11.5 & 11.6	3,478,079	3,692,644
		3,516,225	3,975,789
Allowance for ECL - local			
Unsecured - local		170,820	118,179
Allowance for ECL - local	11.7	(170,820)	(118,179)
		-	-
		3,516,225	3,975,789

11.1 These represent balances of US$ 0.137 million (2023: US$ 0.879 million).

11.2 These include Rs.0.415 million (2023: Rs.Nil) 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.0.415 million (2023: Rs.Nil).

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

11.4 These include Rs.Nil (2023: Rs.28.300 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.923.309 million (2023: Rs.46.974 million).

11.5 These include Rs.15.431 million (2023: Rs.Nil) due from a related party Messrs. Krystalite Products (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.117.848 million (2023: Rs.263.764 million).

	2024	2023
11.5.1 Not past due	8	-
Past due 1-30 days	-	-
Past due 31-90 days	15,328	-
Above 90 days	95	-
	15,431	-

11.6 These include Rs.Nill (2023: Rs.1.296 million) due from a related party Messrs. Mushtaq & Company (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.1.296 million (2023: Rs.40.511 million).

	2024	2023
11.6.1 Not past due	-	525
Past due 1-30 days	-	260
Past due 31-90 days	-	511
	-	1,296

11.7 Allowance for ECL - local

	2024	2023
Balance as at start of the year	118,179	121,680
Charge for the year	162,872	51,650
Reversals since recovered	(110,231)	(55,151)
	52,641	(3,501)
Balance as at end of the year	170,820	118,179

	Note	2024	2023
		(Rupees in Thousand)	

12 LOANS AND ADVANCES - Considered good

	Note	2024	2023
Secured			
Advances to employees	12.1	4,232	8,136
Unsecured			
Advances:			
to suppliers and contractors	12.2 & 12.3	440,180	240,770
for imports		16,071	46,608
		456,251	287,378
		460,483	295,514

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

12.2 These include advances against purchase of vehicles Rs.4.216 million (2023: Rs.5.128 million).

12.3 These include Rs.53.611 million (2023: Rs.Nil) paid to a subsidiary company Messrs. Gatro Power (Private) Limited, on account of power supply and this amount is not past due and not outstanding for more than three months. The maximum aggregate amount due at any month end during the year was Rs.225 million (2023: Rs.Nil).

13 CURRENT PORTION OF LONG TERM LOANS

	Note	2024	2023
Current portion of long term loan to subsidiary company	7	22,500	61,850
Loan recoverable in twelve months from employees	7	13,084	12,998
		35,584	74,848

14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2024	2023
Margins held by banks	14.1	26,908	374,297
Security deposits		39,999	7,520
Prepayments		4,618	7,251
		71,525	389,068

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

15 OTHER RECEIVABLES - Considered good

	Note	2024	2023
Receivable from suppliers	15.1	130,810	184,895
Claims receivable from suppliers		7,357	1,742
Claims receivable from Insurance Companies		-	2,585
Sales tax		628,137	1,571,265
Partial alleged sales tax demand paid	28.1.4, 28.1.16 & 28.1.18	30,472	30,472
Partial alleged income tax demand paid	28.1.13 & 28.1.20	43,169	43,169
Others	15.2, 15.3, 15.4, 15.5, 15.6, 15.7 & 15.8	44,703	12,262
		884,648	1,846,390

15.1 These includes balances receivable in foreign currency of US$ 0.429 million (2023: US$ 0.569 million).

15.2 These include Rs.Nil (2023: Rs.10.619 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.21.857 million (2023: Rs.11.184 million).

15.3 These include Rs.Nil (2023: Rs.6 thousand) receivable from a subsidiary company Messrs. G-Pac Energy (Private) Limited on account of reimbursement of expenses and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.10 thousand (2023: Rs.33 thousand).

15.4 These include Rs.23.192 million (2023: Rs.Nil) receivable from a related party Messrs. Novatex Limited on account of common sharing expenses and balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.175.340 million (2023 Rs.16.718 million).

15.5 These include Rs.2.459 million (2023: Rs.Nil) receivable from a related party Messrs. Krystalite Product (Private) Limited on account of reimbursement of expenses and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.2.784 million (2023: Rs.Nil).

15.6 These include Rs.Nil (2023: Rs.1.126 million) receivable from a related party Messrs. Gani & Tayub (Private) Limited and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.1.126 million (2023: Rs.1.126 million).

15.7 These include Rs.0.050 million (2023: Rs.Nil) 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.0.050 million (2023: Rs.Nil).

15.8 These include Rs.10.886 million (2023: Rs.Nil) receivable from Custom Authority against excess custom duty paid during the year.

	Note	2024	2023
		(Rupees in Thousand)	
16 CASH AND BANK BALANCES			
Cash in hand		**3,434**	1,948
Cash at banks			
In current accounts : Local currency		**87,663**	203,311
In saving account : Local currency	16.1	**1,574**	1,535
In current accounts : Foreign currency	16.2	**204,337**	129,819
	16.3	**293,574**	334,665
		297,008	336,613

16.1 These include security deposits received from contractors Rs.1.535 million (2023 Rs.1.535 million) refer note 22.11. These carries profit ranging from 6.60% to 20.67%.

16.2 These represent balances of US$ 733,557.41 and Euro € 629.98 (2023: US$ 452,273.29 and Euro € 629.98).

16.3 Balance in bank accounts includes an amount of Rs.158.477 million (2023: Rs.156.406 million) kept with Shariah compliant banks.

17 SHARE CAPITAL

(Number of Shares) 2024	2023		(Rupees in Thousand) 2024	2023

17.1 Authorised capital

2024	2023		2024	2023
130,000,000	95,000,000	Ordinary shares of Rs.10 each	**1,300,000**	950,000

17.2 Issued, subscribed and paid up capital

2024	2023		2024	2023
62,136,080	30,136,080	Ordinary shares of Rs.10 each allotted for consideration paid in cash	**621,361**	301,361
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	76,728,960		**1,087,290**	767,290

17.2.1 These include 3,240,774 (2023: 3,240,774) shares held by a related party, Messrs. Gani & Tayub (Private) Limited and 31,895,139 (2023:Nil) shares held by Messrs. Nova Frontiers Limited.

17.3 Movement in number of shares

	(Number of shares) 2024	2023
Opening balance	**76,728,960**	38,364,480
Bonus shares issued during the year	**-**	38,364,480
Right shares issued during the year	**32,000,000**	-
Closing balance	**108,728,960**	76,728,960

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

18 CAPITAL RESERVES

	Note	(Rupees in Thousand) 2024	2023
Share premium	**18.1**	**5,656,603**	383,645
Capital expenditure and BMR	**18.2**	**6,000,000**	6,000,000
		11,656,603	6,383,645

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

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

	Note	2024	2023
		(Rupees in Thousand)	

19 LONG TERM FINANCING - Secured

from banking companies Under Shariah compliant

	Note	2024	2023
Meezan Bank Limited	19.1	1,876,836	2,184,985
Dubai Islamic Bank Pakistan Limited	19.2	54,815	67,250
United Bank Limited	19.3	1,353,117	1,396,382
Bank Al-Falah Limited	19.4	894,258	905,805
Meezan Bank Limited	19.5	1,348,376	1,554,482
Habib Metropolitan Bank Limited	19.6	80,006	76,165
Faysal Bank Limited	19.7	178,018	198,039
Faysal Bank Limited	19.8	1,123,815	1,142,508
Habib Bank Limited	19.9	2,116,194	1,279,978
Bank Al-Habib Limited	19.10	120,031	106,279
First Habib Modaraba	19.11	430,470	-
Soneri Bank Limited	19.12	27,280	-
Bank Al-Habib Limited	19.13	100,000	-
		9,703,216	8,911,873
Current maturity shown under current liabilities		(1,196,089)	(732,545)
		8,507,127	8,179,328

19.1 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.2,500 million out of which Rs.2,465.193 million (2023: 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 May 2029 to May 2031 on their respective maturities. The applicable rate of return is relevant SBP rate+2% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

	2024	2023
Balance as at start of the year	2,184,985	2,386,464
Repayments during the year	(308,149)	(201,479)
Balance as at end of the year	1,876,836	2,184,985

19.2 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.120 million out of which Rs.88.204 million (2023: 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 March 2030 to October 2031 on their respective maturities. The applicable rate of return is relevant SBP rate+1.50% bank profit. IFRE facility is secured against the hypothecation charge over specific plant and machinery (solar equipment).

	2024	2023
Balance as at start of the year	67,250	75,576
Repayments during the year	(12,435)	(8,326)
Balance as at end of the year	54,815	67,250

19.3 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.2,200 million out of which Rs.2,200 million (2023: Rs.2,200 million) having present value of Rs.1,353.117 million (2023: Rs.1,396.382 million) obtained during February 2021 to October 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during February 2031 to October 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1.25% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

	(Rupees in Thousand)	
	2024	**2023**
Balance as at start of the year	**1,396,382**	460,451
Obtained during the year	**-**	1,711,522
Fair value differential of long term finance transferred to government scheme	**-**	(858,470)
Amortization of government scheme	**115,838**	82,879
Repayments during the year	**(159,103)**	-
Balance as at end of the year	**1,353,117**	1,396,382

19.4 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.1,000 million out of which Rs.1,000 million (2023: Rs.1,000 million) having present value of Rs.894.258 million (2023: Rs.905.805 million) obtained during April 2021 to September 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during April 2031 to September 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**905,805**	831,661
Loan obtained	**-**	119,397
Fair value differential of long term finance transferred to government scheme	**-**	(58,523)
Amortization of government scheme	**15,609**	13,270
Repayments during the year	**(27,156)**	-
Balance as at end of the year	**894,258**	905,805

19.5 This represents Diminishing Musharakah amounting to Rs.1,900 million out of which Rs.1,554.482 million (2023: Rs.1,554.482 million) obtained during August 2021 to August 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 14 equal half yearly installments, commencing after a grace period of one years and expiring during August 2029 to August 2030 on their respective maturities. The applicable rate of profit is 6 months KIBOR+0.10%. The outstanding principal sum and accrued profit thereon are secured by way of specific/exclusive hypothecation charge over plant and machinery.

Balance as at start of the year	**1,554,482**	1,486,069
Obtained during the year	**-**	68,413
Repayments during the year	**(206,106)**	-
Balance as at end of the year	**1,348,376**	1,554,482

19.6 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.120 million out of which Rs.119.904 million (2023: Rs.119.904 million) having present value of Rs.80.006 million (2023: Rs.76.165 million) obtained during July 2021 to March 2023 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during July 2031 to March 2033 on their respective maturities. The applicable rate of profit is relevant SBP rate+1% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

	(Rupees in Thousand)	
	2024	**2023**
Balance as at start of the year	**76,165**	33,913
Loan obtained	**-**	84,272
Fair value differential of long term finance transferred to government scheme	**-**	(46,163)
Amortization of government scheme	**6,068**	4,143
Repayments during the year	**(2,227)**	-
Balance as at end of the year	**80,006**	76,165

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

Balance as at start of the year	**198,039**	179,212
Obtained during the year	**-**	37,901
Repayments during the year	**(20,021)**	(19,074)
Balance as at end of the year	**178,018**	198,039

19.8 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.1,200 million out of which Rs.1,142.508 million (2023: 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 September 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 6 months KIBOR+0.10% on those disbursements. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**1,142,508**	475,029
Obtained during the year	**-**	667,479
Repayments during the year	**(18,693)**	-
Balance as at end of the year	**1,123,815**	1,142,508

19.9 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.3,000 million out of which Rs.2,116.194 million (2023: Rs.1,279.978 million) obtained during June 2022 to June 2024 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during June 2032 to June 2033 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.2,090.757 million under ILTFF Scheme, therefore bank is charging profit at 3 months KIBOR+0.50% on those disbursements. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

	2024	2023
	(Rupees in Thousand)	
Balance as at start of the year	**1,279,978**	45,157
Obtained during the year	**836,216**	1,234,821
Balance as at end of the year	**2,116,194**	1,279,978

19.10 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.200 million out of which Rs.200 million (2023: Rs.200 million) having present value of Rs.120.031 million (2023: Rs.106.279 million) obtained during August 2022 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during August 2032 on their respective maturities. The applicable rate of return is relevant SBP rate+1% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**106,279**	-
Loan obtained	**-**	200,000
Fair value differential of long term finance transferred to government scheme	**-**	(103,829)
Amortization of government scheme	**13,752**	10,108
Balance as at end of the year	**120,031**	106,279

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

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

19.12 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.38 million out of which Rs.27.280 million (2023: Rs.Nil) obtained during 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 during August 2034 on their respective maturities. The applicable rate of return is relevant SBP rate+4% bank profit. IFRE facility is secured against the specific hypothecation charge over plant and machinery (solar equipment).

Balance as at start of the year	**-**	-
Loan obtained	**27,280**	-
Balance as at end of the year	**27,280**	-

19.13 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.100 million out of which Rs.100 million (2023: Rs.Nil) 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 during August 2034 to September 2034 on their respective maturities. The applicable rate of return is relevant SBP rate+4% bank profit. IFRE facility is secured against the specific hypothecation charge over plant and machinery (solar equipment).

	(Rupees in Thousand) 2024	2023
Loan obtained	100,000	-
Balance as at end of the year	100,000	-

20 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

	2024	2023
Additions during the year	132,545	-
Accretion of interest	22,495	-
Payment of lease liabilities	(32,271)	-
	122,769	-
Current maturity shown under current liabilities	(15,020)	-
Balance as at end of the year	107,749	-

	2024		2023	
	Minimum Lease Payments	Present Value of Lease Payments	Minimum Lease Payments	Present Value of Lease Payments
Lease liabilities are payable as follows:				
Within one year	38,263	15,020	-	-
Later than one year and not later than five years	143,366	107,749	-	-
Total minimum lease payments	181,629	122,769	-	-
Less: Financial charges allocated to future periods	(58,860)	-	-	-
Present value of minimum lease payments	122,769	122,769	-	-
Less: Current portion of lease liabilities	(15,020)	(15,020)	-	-
	107,749	107,749	-	-

	Note	(Rupees in Thousand) 2024	2023
21 DEFERRED LIABILITIES AND INCOME			
Deferred Liabilities			
Income tax - net	21.1	-	219,047
Defined benefit plan	21.2	624,077	567,977
Provision for Gas Infrastructure Development Cess (GIDC)	21.3	-	1,471
Deferred income			
Deferred Income - Government scheme	21.4	716,751	884,232
		1,340,828	1,672,727

	Note	2024	2023
		(Rupees in Thousand)	

21.1 This comprises of the following major timing differences:

	Note	2024	2023
Taxable temporary difference arising due to:			
tax depreciation allowances		1,077,973	281,026
right of use asset		35,603	-
Deductible temporary difference arising due to:			
Impairment allowance for ECL		(49,538)	(34,272)
Impairment allowance for slow moving stores, spare parts and loose tools		(33,663)	(27,707)
Tax losses adjustable against future tax liability		(1,030,375)	-
		-	219,047

21.1.1 Movement in deferred tax

	Note	2024	2023
Balance as at start of the year		219,047	211,746
(Reversal)/charged for the year	38	(219,047)	7,301
Balance as at end of the year		-	219,047

At the reporting date, deferred tax asset amounting to Rs.743.283 million (2023: Rs.718.038 million) has not been recognized considering remote chances of reversal.

21.2 Actuarial valuation of the plan was carried out as at June 30, 2024. The calculation for provision of defined benefit plan is as under:

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

	Note	2024	2023
Balance as at start of the year		567,977	502,472
Expense for the year	21.2.1	130,509	89,744
Remeasurement (gain)/loss		(38,496)	1,581
Payments		(35,913)	(25,820)
Balance as at end of the year		624,077	567,977

21.2.1 Expense for the year

	Note	2024	2023
Current service cost		43,881	23,653
Interest cost		86,628	66,091
		130,509	89,744
Allocation are as follows:			
Cost of Sales	30.1	58,601	47,197
Distribution and selling costs	31.1	3,399	2,610
Administrative expenses	32.1	68,509	39,937
		130,509	89,744

The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate	14.00%	15.75%
Future salary increase rate	14.00%	15.75%
Withdrawal Rate	Moderate	Moderate
Mortality	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005

Sensitivity Analysis

	2024		2023	
	PVDBO (Rupees in Thousand)	Percentage Change	PVDBO (Rupees in Thousand)	Percentage Change
Current Liability	**624,077**	**-**	567,977	-
+ 1% Discount Rate	**596,252**	**-4.46%**	542,653	-4.46%
- 1% Discount Rate	**656,350**	**5.17%**	597,349	5.17%
+ 1% Salary Increase Rate	**659,110**	**5.61%**	599,860	5.61%
- 1% Salary Increase Rate	**593,488**	**-4.90%**	540,138	-4.90%
+ 10% Withdrawal Rates	**622,796**	**-0.21%**	566,811	-0.21%
- 10% Withdrawal Rates	**625,414**	**0.21%**	569,194	0.21%
1 Year Mortality age set back	**624,095**	**0.00%**	567,993	0.00%
1 Year Mortality age set forward	**624,059**	**(0.00%)**	567,960	(0.00%)

	(Rupees in Thousand)	
	2024	2023
Maturity profile	Undiscounted payments	
Year 1	**202,892**	161,733
Year 2	**25,787**	25,328
Year 3	**14,332**	81,298
Year 4	**37,982**	71,704
Year 5	**32,054**	61,401
Year 6 to 10	**128,206**	439,960
Year 11 and above	**461,024**	1,582,075

Risks Associated with Defined Benefit Plan

Longevity Risks:

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

Salary Increase Risk:

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

Withdrawal Risk:

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

	Note	2024	2023
		(Rupees in Thousand)	

21.3 Provision for Gas Infrastructure Development Cess

	Note	2024	2023
Balance at start of the year		84,416	73,393
Remeasurement gain on discounting of provision for GIDC	34	(12,664)	(4,417)
Un-winding of long term provision for GIDC	35	15,082	15,440
		86,834	84,416
Current portion of Gas Infrastructure Development Cess	26	(86,834)	(82,945)
		-	1,471

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

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

21.4 Deferred Income - Government scheme

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

	Note	2024	2023
Opening balance		1,035,274	78,689
Fair value differential of long term finance transferred		-	1,066,985
Amortization of government scheme		(151,267)	(110,400)
		884,007	1,035,274
Current portion of government scheme	26	(167,256)	(151,042)
		716,751	884,232

(Rupees in Thousand)

22 TRADE AND OTHER PAYABLES

	Note	2024	2023
Trade creditors	22.1 & 22.2	1,091,180	2,092,162
Bills payable	22.3	1,922,650	4,673,909
Accrued expenses	22.4, 22.5, 22.6 & 22.7	439,578	865,144
Advance payments from customers - unsecured	22.8, 22.9 & 22.10	840,360	547,698
Security deposits from contractors	22.11	1,535	1,535
Workers' Profit Participation Fund	22.12	-	-
Workers' Welfare Fund	22.13	-	22,977
Provisions	22.14	1,097,399	905,948
Withholding taxes		18,861	36,300
Payable to Provident Fund Trusts		1,103	1,029
Other liabilities	22.15	109,975	97,359
		5,522,641	9,244,061

22.1 These include Rs.201.915 million (2023: Rs.566.571 million) payable to a related party Messrs. Novatex Limited.

22.2 These include Rs.0.209 million (2023: Rs.Nil) payable to a related party Messrs. G&T Tyres (Private) Limited.

22.3 These include balances payable in foreign currency of US$ 6.735 million and Euro:0.150 million (2023: US$ 13.076 million).

22.4 These include Rs.Nil (2023: Rs.161.521 million) payable to a subsidiary company Messrs. Gatro Power (Private) Limited on account of purchase of power.

22.5 These include Rs.Nil (2023: Rs.429.434 million) payable to a related party Messrs. Novatex Limited on account of obtaining of services and cost sharing expenses.

22.6 These include Rs.1.300 million (2023: Rs.Nil) payable to a related party Messrs. Gani & Tayub (Private) Limited.

22.7 These include Rs.0.034 million (2023: Rs.Nil) payable to a related party Messrs. Nova Mobility (Private) Limited.

22.8 These include Rs.Nil (2023: Rs.7.806 million) received from a related party Messrs. Krystalite Products (Private) Limited.

22.9 These include Rs.85.556 million (2023: Rs.Nil) received from a related party Messrs. Novatex Limited.

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

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

	Note	2024	2023
		(Rupees in Thousand)	
22.12 Workers' Profit Participation Fund			
Balance as at start of the year		-	111,248
Interest on funds utilized in the Company's business	35	-	458
Payments		-	(111,706)
Balance as at end of the year		-	-
22.13 Workers' Welfare Fund			
Balance as at start of the year		22,977	22,977
Reversal of provision - prior year	34	(16,301)	-
Adjustment through income tax refund/withholding	27	(6,676)	-
Balance as at end of the year		-	22,977
22.14 Provisions for:			
Enhanced gas rate	22.14.1 & 22.14.2	56,171	56,171
Sindh Sales Tax on rent	22.14.3	-	7,887
Infrastructure Cess on imports	22.14.4	692,719	493,381
Sales tax	22.14.5	341,723	341,723
Others	22.14.6	6,786	6,786
		1,097,399	905,948

22.14.1 The Oil and Gas Regulatory Authority (OGRA) had enhanced gas rate from Rs.488.23 per MMBTU for industrial and Rs.573.28 per MMBTU for captive power to Rs.600 per MMBTU with effect from September 01, 2015. The Company alongwith several other companies filed suit in the Sindh High Court challenging the increase in rate. The Honorable Sindh High Court had initially granted interim relief, whereby recovery of enhanced rate was restrained. In May 2016, the Honorable Single Bench of Sindh High Court decided the case in favor of the Petitioners. However, in June 2016, Defendants filed appeal before the Double Bench of Sindh High Court which was also decided in favor of the Petitioners. Messrs. Sui Southern Gas Company Limited (SSGCL) then have filed appeal and pending before the Honorable Supreme Court of Pakistan. Meanwhile, OGRA had issued another notification dated December 30, 2016 overriding the previous notification and SSGCL billed @ Rs.600 per MMBTU. However, on January 19, 2017, the Company alongwith others filed a suit in the Sindh High Court against OGRA, SSGCL and others. The Honorable Sindh High Court granted interim relief and instructed SSGCL to revise bills at previous rate against securing the differential amount with the Nazir of the Court. Accordingly, the Company has provided bankers' verified cheque to Nazir of High Court amounting to Rs.47.667 million (2023: Rs.47.667 million). As an abundant precaution, the Company has made total provision of Rs.40.194 million (2023: 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.

22.14.2 In August 2013, OGRA had enhanced gas rate from Rs.488.23 per MMBTU to Rs.573.28 per MMBTU for captive power and accordingly, SSGCL started charging rate prescribed for captive power to the Company with effect from September 2013. On December 21, 2015, the Company alongwith several other companies filed suit in the Sindh High Court against OGRA, SSGCL and others challenging the charging of captive power tariff instead of industrial tariff. The Honorable Sindh High Court has granted interim relief, whereby recovery of captive power rate has been restrained. Meanwhile, OGRA had issued another notification dated December 30, 2016 overriding the previous notification and SSGCL billed @ Rs.600 per MMBTU. However, on January 19, 2017, the Company alongwith others filed a suit in the Sindh High Court against OGRA, SSGCL and others. The Honorable Sindh High Court granted interim relief and instructed SSGCL to revise bills at previous rate against securing the differential amount with the Nazir of the Court. Accordingly, the Company has provided bankers' verified cheque to Nazir of High Court (refer note 22.14.1). As an abundant precaution, the Company has made provision of Rs.15.977 million (2023: Rs.15.977 million) pertaining to the period of November 2015 to September 2018 and did not create receivable of Rs.13.629 million in respect of period from August 2013 to October 2015. On October 04, 2018, OGRA has issued another notification to increase gas tariff with effect from September 27, 2018 for different categories and the Company is paying full amount of the gas bills as per this notification. In February, 2020, the Honorable Single Bench of Sindh High Court has decided the case in favor of Petitioners. SSGCL has filed appeal before the Double Bench of Sindh High Court against the decision and is pending for adjudication.

22.14.3 This represents provision of Sindh Sales Tax on rent payable by the Company to a related party Messrs. Novatex Limited. The related party had filed a suit in the Sindh High Court against Sindh Revenue Board [SRB] and Province of Sindh etc. On August 28, 2018, the Honorable Sindh High Court decided the case in favor of the related party. However, SRB filed an appeal before Supreme Court of Pakistan against the decision of Sindh High Court. The Honorable Supreme Court of Pakistan has maintained the decision of Sindh High Court, Hence liability has been reversed in these un-consolidated financial statements.

	(Rupees in Thousand)	
	2024	**2023**
22.14.4 Movement is as under:		
Balance as at start of the year	**493,381**	333,097
Provision made during the year	**199,338**	160,284
Balance as at end of the year	**692,719**	493,381

The Company had filed a petition in the 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 Sindh High Court against Province of Sindh and Excise and Taxation Department and similar stay has been granted by the Honorable Sindh High Court. On June 04, 2021, the Honorable Sindh High Court has passed the judgment in favor of the Government. The Company has filed an appeal in Supreme Court of Pakistan against the judgment. The Honorable Supreme Court of Pakistan, vide interim order dated September 01, 2021, has suspended the operation of the impugned judgement of the Sindh High Court and has further directed the Custom Authorities to release consignments on the basis of bank guarantee equivalent to the amount of levy claimed by the Excise and Taxation Department. Till reporting date, the Company has provided bank guarantee amounting to Rs.778.365 million (2023: Rs.578.365 million) in favor of Excise and Taxation Department, in respect of consignments cleared after December 27, 2006 (refer note 28.2). Full provision after December 27, 2006 has been made in these un-consolidated financial statements as an abundant precaution.

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

22.14.6 This represents provision of Gas Infrastructure Development Cess amounting to Rs.4.131 million (2023: Rs.4.131 million) and rate difference of gas tariff Rs.2.655 million (2023: Rs.2.655 million) on account of common expenses payable by the Company to a related party Messrs. Novatex Limited.

22.15 These include Rs.64.600 million (2023: Rs.73.146 million) received from employees under Company car policy.

23 UNPAID DIVIDEND

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

24 ACCRUED MARK UP/PROFIT

	Note	2024	2023
		(Rupees in Thousand)	
Profit on long term financing		**526,623**	653,001
Mark up/profit on short term borrowings		**16,389**	229,395
	24.1	**543,012**	882,396

24.1 This includes accrued profit of Rs.542.943 million (2023: Rs.786.124 million) under Shariah compliant arrangements.

25 SHORT TERM BORROWINGS - Secured

From banking companies under mark up/profit arrangements

	2024	2023
Running finance - Under Conventional	**77,733**	2,258,660
- Under Shariah compliant	**3,337,005**	5,415,755
	3,414,738	7,674,415
Short term finance - Under Conventional	**-**	650,000
- Under Shariah compliant	**14,825**	-
	14,825	650,000
Export re-finance - Under Shariah compliant	**150,000**	150,000
	3,579,563	8,474,415

25.1 The Company has aggregate facilities of short term borrowings amounting to Rs.13,080 million (2023: Rs.10,580 million) from various commercial banks (as listed in Note 25.3) out of which Rs.9,500 million (2023: Rs.2,106 million) remained unutilized at the year end. The Company also has Rs.Nil (2023: Rs.150 million) swinging facility with a related party Messrs. Novatex Limited, out of which Rs.Nil (2023: Rs.Nil) has been utilized by the Company at the year end. The mark up/profit rates during the year for running finance and Musharakah ranges between 21.86% to 23.43%, for short term finance 17% to 22.98% and for export refinance 16.40% to 19.00% per annum. These facilities are renewable annually at respective maturities.

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

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

		Note	2024	2023
			(Rupees in Thousand)	
26	**CURRENT PORTION OF NON-CURRENT LIABILITIES**			
	Gas Infrastructure Development Cess	21.3	86,834	82,945
	Government scheme	21.4	167,256	151,042
			254,090	233,987
27	**PROVISION FOR INCOME TAX LESS PAYMENTS**			
	Balance as at start of the year		255,432	273,409
	Provision - Current	37	424,411	338,675
	- Prior		(94,553)	-
			329,858	338,675
			585,290	612,084
	Payments		(384,418)	(356,530)
	Adjustment of Workers' Welfare Fund		6,676	-
	Adjustment of group taxation	22.13	(964)	(122)
			(378,706)	(356,652)
	Balance as at end of the year		206,584	255,432

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

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

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

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

28.1.2 In May 2015, the Parliament passed the Gas Infrastructure Development Cess (GIDC) Act 2015, which seeks to impose GIDC levy since 2011. On July 16, 2015, the Company alongwith several other companies filed suit in the Sindh High Court against OGRA and others challenging the validity and promulgation of GIDC Act 2015. The Honorable Single Bench of Sindh High Court had decided the case in favor of Petitioners. However, in May 2020, Defendants have filed appeal before the Double Bench of Sindh High Court. On August 13, 2020, the Honorable Supreme Court of Pakistan finally in the appeals filed by industries of Khyber Pakhtunkhwa, passed a judgment in favor of Government declaring the GIDC Act 2015 intra vires and directed all the Petitioners/Appellants (including industries of all over Pakistan) for payment of Cess liability accrued till July 31, 2020 in 24 equal monthly installments. The Company has filed Review Petition against the Judgment, wherein the Honorable Supreme Court of Pakistan has provided some relief by increasing the time period for recovery of GIDC from 24 installments to 48 installments and also hold that GIDC relating to period prior to the GIDC Act, 2015 is not recoverable in case the same was not passed on by the Company. As per the judgement of Supreme Court of Pakistan, the Company has filed a Civil Suit before the 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 of June 2015 to July 2020 as an abundant precaution.

28.1.3 The Company along with several other companies has filed a Constitution Petition no. CP 2085/2016 dated April 13, 2016 in the Sindh High Court against Employment Old Age Benefits Institution (EOBI) and others against a notice issued by the EOBI to the Company to pay contribution at the revised rate of wages with retrospective effect. The Honorable Sindh High Court has restrained EOBI from taking any coercive action against the Company. On December 03, 2021, the Honorable Sindh High Court has dismissed the Petition. However, the Company has filed an appeal at Supreme Court of Pakistan against the judgment. No provision of the amount involved i.e. Rs.42.340 million (2023: Rs.34.713 million) has been made in these un-consolidated financial statements.

28.1.4 The Company filed four appeals on 2nd, 9th, 17th May and 20th June 2018 before the Commissioner Inland Revenue (Appeals) (CIR(A)) - 2, Large Taxpayers Unit, Karachi for the tax periods July 2012 to December 31, 2016 against the assessment orders by the Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, passed under section 11 (2) of the Sales Tax Act, 1990 through which cumulative demand for the aforesaid periods amounting to Rs.55.423 million excluding default surcharge was created. In the assessment orders, major areas on which impugned demand has been raised relates to disallowance of input tax on purchases and recovery of sales tax on sales to subsequently suspended / blacklisted persons. The Company has already deposited Rs.28 million under protest into the Government Treasury for stay against the full recovery (refer note 15). The CIR(A) has issued judgment in respect of impugned order for tax periods July 2012 to June 2013 wherein the entire order of the Tax Officer has been held as illegal and unconstitutional. However, the Tax Department has been filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). The CIR(A) has decided the matter for tax periods July 2013 to June 2014, July 2014 to June 2015 and July 2015 to December 2016 wherein the case has been partially decided in favor for the Company. However, the Company has filed appeals before the ATIR against orders passed by CIR(A). No provision has been made in these un-consolidated financial statements as the Company is confident that the matter will be decided in favor by the appellate authorities.

28.1.5 Tax Department issued order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2012 wherein income tax demand of Rs.37.773 million was raised on various issues. Out of the total amount, the Company paid Rs.3.777 million under protest. Appeal was filed before the CIR(A) and the CIR(A) had decided the case partially in favor of the Company whereas major issues were decided in favor of the Tax Department. Based on the judgment of the CIR(A), the revised demand comes out to Rs.28.2 million. The Company filed an appeal before the ATIR appeal no. ITA No.1452/KB/2018 dated 12-Oct-2018 against the order of the CIR(A) and the learned ATIR, vide its judgment dated January 01, 2019 has decided the case in favor of the Company. As of now, the Tax Department has not yet filed appeal against the said judgment of ATIR.

28.1.6 Tax Department issued order under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2015 wherein income tax demand of Rs.25.888 million was raised on various issues. Out of the total amount, the Company paid Rs.2.589 million under protest. Appeal was filed before the CIR(A) and the CIR(A) has decided partially in favor of the Company. Appeal effect in line with CIR(A) order has been issued by the Tax Department wherein an amount of Rs.3.791 million determined as refundable to the Company out of which Rs.1.594 million has been adjusted with the income tax demand pertaining to tax year 2019. Appeal dated 30-May-2019 has been filed by the Company as well as the Tax Department before ATIR, however, no hearing has been conducted till date. Based on the merits of the case and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Company, hence Rs.2.197 million recorded as refundable.

28.1.7 The Tax Officer alleged the Company for charging sales tax at reduced rate instead of standard rate of 17% during the tax periods from July 2014 to June 2015 and raised the demand of Rs.1.741 million along with penalty of Rs.0.087 million. The Company has filed an appeal before CIR(A) against order of the Tax Department on the ground that reduced rate was applicable to customers as those customers were active and operative at the time of execution of sales transaction. Moreover, the Tax Department has adjusted the impugned demand with sales tax refunds available with the Company. Appeal was decided in favor of the Company. Tax Department has issued an appeal effect order in line with aforementioned CIR(A) order resulting in refund of Rs.1.828 million for which refund application has been filed. Tax Department has filed an appeal before ATIR dated 28-Oct-2019 against CIR(A) order. Based on the merits of the case and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Company. No provision has been made in these un-consolidated financial statements.

28.1.8 The case of the Company was selected for income tax audit for tax year 2013. The return was amended under section 122(1)/(5) of the Income Tax Ordinance, 2001, however, no income tax demand was raised owing to taxable losses both before and after amendment of the income tax return. Subsequently, the Tax Department again initiated proceedings for further amendment of the already amended income tax return and raised demand of Rs.1.178 million. Demand has been raised mainly because of figurative errors committed by the Additional Commissioner Inland Revenue (ADCIR) against which the Company has moved rectification application and in response thereto rectified order was issued. Moreover, the Company has also filed an appeal before CIR(A) to secure its interest in case rectification application is rejected by the concerned Tax Officer. CIR(A) has decided the matter partially in favor of the Company. Considering that the matter decided against the Company has no material impact, therefore, the Company had not filed an appeal before the ATIR. The Tax Department filed an appeal no. ITA No.376/KB/2017 dated 10-04-2017 before the ATIR against order issued by CIR(A), Quetta, which has not yet been concluded. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company. No provision has been made in these un-consolidated financial statements.

28.1.9 Income tax return of tax year 2014 was amended by the Deputy Commissioner Inland Revenue, Quetta disallowed expenses of Rs.60.7 million vide order dated June 29, 2016 against which the Company filed an appeal before the CIR(A), who vide order dated January 20, 2017 decided the case partially in favor of the Company and partially in favor of Tax Department. The Tax Department has filed an appeal no. ITA No.377/KB/2017 dated 10-04-2017 before the ATIR which has not yet been concluded. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company. No provision has been made in these un-consolidated financial statements.

28.1.10 The Company had filed a petition no. CP No.D-5468 dated August 26, 2019 in Sindh High Court against 3% Minimum Value Addition Tax on import of machinery, which has been levied through Finance Act, 2019. Stay has been granted by the Honorable Sindh High Court against submission of bank guarantee in favor of Nazir of the Court. Till reporting date, the Company has provided 100% bank guarantee amounting to Rs.15.351 million (2023: Rs.15.351 million), refer note 28.2. Moreover, through Finance Act, 2020 this levy has been withdrawn from manufacturer w.e.f. July 01, 2020.

28.1.11 Through Finance Act, 2019, the Government has reduced tax credit available on new investment to 5% from 10% with retrospective effect. Consequently, disallowing tax credit of Rs.42 million for tax year 2019. The Company has challenged the provision of Finance Act, 2019 before the Sindh High Court and the Court has decided the matter in favour of the Company to claim 10% tax credit on investment in plant & machinery on the basis of pre-amended position of section 65B. However, Tax department has challenged the judgement of Sindh High Court in Supreme Court of Pakistan through petition no. CPLA 606-K/2023 dated April 30, 2023, which is decided in favour of the Company to the extent of that the machinery purchased and installed both by June 30, 2019. In view of the decision of Supreme Court of Pakistan, the Company has reversed the liability in these un-consolidated financial statements.

28.1.12 The Company had filed a petition no. CP D-573 dated January 26, 2019 before the Sindh High Court wherein the Company had challenged the levy and collection of further sales tax on zero rated supplies imposed vide SRO 584(I)/2017 read with section 3(1A) and section 4 of the Sales Tax Act, 1990. The case has been decided by the Honorable Sindh High Court in favor of the Company. The Tax Department has filed an appeal dated Mar 22, 2021 before the Honorable Supreme Court of Pakistan against the judgment of the Honorable Sindh High Court. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company, however, on a prudent basis Rs.40.395 million has been provided in these un-consolidated financial statements.

28.1.13 The Company had filed a petition before the Sindh High Court wherein the Company had challenged the notice requiring to pay Super Tax for tax year 2018 amounting to Rs.28.187 million and 2019 Rs.31.444 million respectively. The Honorable Sindh High Court has decided the matter against the Company. The Company has filed petition before the Supreme Court of Pakistan against the judgement of the Sindh High Court, hearing of which is pending at the moment. The Company also filed appeals before the CIR(A) against the order passed by DCIR under section 4B of the Income Tax Ordinance, 2001 which has been concluded in favor of the Tax Department. The Company has filed appeals before the ATIR dated September 07, 2021 against the orders passed by the CIR(A). The Company has also paid 50% of demand for auto stay from recovery (refer note 15). The management is confident that the case will ultimately be decided in favor of the Company. However, as an abundant precaution, the Company has not reversed the liability in these un-consolidated financial statements.

28.1.14 Income tax return for tax year 2019 has been amended by the DCIR vide order dated June 29, 2020 creating tax demand of Rs.1.594 million while abolishing refund of Rs.35.819 million as claimed in ITR 2019 against which the Company filed an appeal before the CIR(A), which has been partially decided in favour of the Company resulting in net tax refundable of Rs.4 million, appeal effect order is not yet issued by the Tax Department. The Company as well as Tax Department have filed appeals before the ATIR dated January 13, 2022, which is pending till date. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.

28.1.15 Through Finance Act, 2019, section 65B of the Income Tax Ordinance, 2001 was amended to disallow credit on investment in plant & machinery from tax year 2020 and onwards. Consequently, the tax credit in respect of LCs opened on or before 30th June 2019 was also disallowed amounting to Rs.105.230 million. The Company has challenged the provision of Finance Act, 2019 before the Sindh High Court and the Court has decided the matter in favour of the Company to claim 10% tax credit on investment in plant & machinery on the basis of pre-amended position of section 65B on machinery arrived in tax year 2020 and 2021. The Tax department has challenged the judgement of Sindh High Court in Supreme Court of Pakistan through petition no. CPLA 649-K/2023 and CPLA 665-K/2023 for TY 2020 & TY 2021 respectively, which is decided in favour of the Company to the extent of that the machinery purchased and installed both by June 30, 2019, and other than that decided in favour of the Tax Department. In view of the decision of Supreme Court of Pakistan, the Company has not reversed the liability in these un-consolidated financial statements.

28.1.16 The Tax Officer alleged the Company for fake transaction with suspended customer during the tax periods from December 2018 to June 2019 and raised the demand of Rs.1.711 million along with 100% penalty, aggregated demand of Rs.3.421 million. The Company has paid 10% of demand for auto stay from recovery Rs.0.342 million (refer note 15). CIR(A) has decided the case in favour of Company. The Tax

Department has filed an appeal before ATIR against the said judgment. No provision has been made in these un-consolidated financial statements.

28.1.17 Tax Department issued notices thereby disallowing adjustment of Workers Welfare Fund (WWF) against income tax refund of tax year 2018, 2019 and 2020 amounting Rs.16.216 million, Rs.20.373 and Rs.3.022 million respectively. The Company filed petitions against the said notices before the Honorable Sindh High Court, which has been decided in favour of the Company. However, Tax Department has filed an appeal dated January 24, 2022 before the Honorable Supreme Court of Pakistan. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company. However, full liability of WWF has been provided in respective years un-consolidated financial statements.

28.1.18 Tax Department has raised demand of Rs.21.294 million on the basis of sales tax audit for the tax periods from July 2017 to June 2018. The Company has filed an appeal before the CIR(A). The Company has paid 10% of demand for auto stay from recovery Rs.2.130 million (refer note 15). The CIR(A) has decided the case partially in favor of the Company and partially in favor of Tax Department. The order contains significant errors for which Company has filed rectification application before CIRA.

28.1.19 The Tax Department disallowed expenses of Rs.45.6 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2016. However, no income tax demand was raised owing to taxable losses both before and after amendment of assessment proceedings. Moreover, the Company has filed an appeal before CIR(A), who vide order dated March 16, 2023 decided the case partially in favor of the Company and partially in favor of Tax Department. The Company as well as Tax Department have filed appeals before the ATIR, which is pending till date. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.

28.1.20 The Company has filed a petition no. CP No.D-8011/2022 dated December 23, 2022 before the Sindh High Court against the levy of Super Tax under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022. The Honorable Sindh High Court held that the Super Tax is not applicable for the tax year 2022. However, the Tax Department has filed petition before the Supreme Court of Pakistan and has issued interim order whereby the Honorable Supreme Court has directed to pay Super Tax to the extent of 4%. Therefore, the Company has paid the Super Tax of Rs. 13.353 million on the direction of the Honorable Supreme Court and in the compliance of the tax department notice as well (refer note 15). The management is confident that the case will be decided in favor of the Company. However, as an abundant precaution, the Company has not reversed the liability in these un-consolidated financial statements.

28.1.21 The Company has filed the petition no. CP D-7001/2022 dated November 12, 2022 in Sindh High Court against conducting Sales Tax Audit for the tax year 2019. The Honorable Sindh High Court has granted interim relief till the decision of the case. The management is confident that the case will be decided in favor of the Company.

28.1.22 The Company has filed the petition no. CP D-7732/2022 dated December 15, 2022 before Sindh High Court against conducting post refund Sales Tax Audit pertaining to the tax year 2016, on the ground of time barred proceeding. The Honorable Sindh High Court has granted interim relief till the decision of the case. Amount is not determined as proceeding not yet initiated. The management is confident that the case will be decided in favor of the Company.

28.1.23 Tax Department has raised demand of Rs.0.240 million on the basis of not charging sales tax on sale of fixed assets for the tax periods from July 2018 to June 2019. However, the Company has duly charged and deposited the sales tax on disposal of fixed assets. The Company has filed an appeal before CIR(A) which has been decided in favour of the Company.

28.1.24 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 in favor of the Company vide order dated November 15, 2023.

28.1.25 The Tax Department disallowed expenses of Rs.74 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2022. However, no income tax demand was raised owing to tax refundable position both before and after amendment of assessment proceedings. The Company has filed appeal before the CIR(A). Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.

28.1.26 Tax Department has raised demand of Rs.4.684 million on the basis of not charging sales tax on building material for the tax periods from July 2019 to June 2020. CIR(A) has decided the case in favour of Tax Department. The Company has filed an appeal before ATIR against the said order.

28.2 Guarantees

	Note	2024	2023
		(Rupees in Thousand)	
Bank Guarantees in favour of:			
The Director Excise & Taxation, Karachi	22.14.4	778,365	578,365
The Electric Inspector, President Licencing Board, Quetta		10	10
Pakistan State Oil Company Limited		70,000	70,000
K-Electric Limited		18,496	18,496
Nazir of the High Court of Sindh, Karachi	28.1.10	15,351	15,351
Letters of Credit in favour of:			
Sui Southern Gas Company Limited for Gas		38,300	32,592
		920,522	714,814

28.3 Commitments

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

(Rupees in Thousand)

	Note	2024	2023
Foreign currency:			
Property, plant and equipment		**576,401**	789,298
Raw and packing material		**838,897**	5,578,080
Spare parts and others		**92,163**	378,184
		1,507,461	6,745,562
Local currency:			
Property, plant and equipment		**53,509**	90,079
Raw material		**1,426,605**	349,999
Spare parts and others		**11,156**	11,972
		1,491,270	452,050
		2,998,731	7,197,612

28.3.1 The Company has made an agreement for purchase of land amounting to Rs.133.150 million (2023: Rs.122.764 million), out of which Rs.17.225 million (2023: Rs.14.800 million) paid as advance (refer note 4).

29 SALES

		2024	2023
Gross local sales		**36,719,513**	30,873,115
Third party processing charges		**2,196,818**	108,765
		38,916,331	30,981,880
Less: Sales tax		**5,718,233**	4,607,606
		33,198,098	26,374,274
Export sales		**815,483**	1,009,506
		34,013,581	27,383,780

30 COST OF SALES

	Note	2024	2023
Raw and packing material consumed		**22,603,658**	18,395,948
Stores, spare parts and loose tools consumed		**513,497**	679,464
Outsource processing charges		**174,745**	674,311
Salaries, wages, allowances and benefits	30.1 & 30.2	**2,158,035**	2,041,909
Power, fuel and gas		**5,458,452**	4,018,939
Rent, rates and taxes		**35,554**	45,025
Insurance		**146,858**	80,953
Cartage & transportation		**326,766**	249,653
Repairs and maintenance		**181,464**	282,529
Communications & Computer		**8,822**	1,775
Water supply		**16,161**	7,595
Travelling		**16,275**	5,144
Sundry		**54,809**	43,024
Depreciation	4.2	**850,259**	917,990
		32,545,355	27,444,259
Scrap sales	30.3	**(182,947)**	(67,144)
		32,362,408	27,377,115
Opening stock of goods-in-process		**429,650**	1,108,306
Opening stock of unfinished goods held for sale		**280,595**	-
Closing stock of goods-in-process		**(1,392,301)**	(429,650)
Closing stock of unfinished goods held for sale		**(32,744)**	(280,595)
Cost of goods manufactured		**31,647,608**	27,775,176
Opening stock of finished goods		**4,097,889**	2,252,863
Closing stock of finished goods		**(3,818,775)**	(4,097,889)
		31,926,722	25,930,150

30.1 These include Rs.6.578 million (2023: Rs.5.684 million) and Rs.58.601 (2023: Rs.47.197 million) respectively, representing contribution to defined contribution plan by the Company and expenditure on defined benefit plan.

30.2 It is net off by Rs.42 million (2023: Rs.42 million) in respect of amount received from a subsidiary company Messrs. Gatro Power (Private) Limited against plant operation arrangement.

30.3 Net off sales tax amounting to Rs.35.392 million (2023: Rs.12.867 million).

	Note	2024	2023
		(Rupees in Thousand)	
31 DISTRIBUTION AND SELLING COSTS			
Salaries, allowances and benefits	31.1	47,840	44,207
Insurance		5,992	3,527
Rent, rates and taxes		14,431	3,841
Handling, freight and transportation		200,317	315,638
Advertisement and sales promotion		599	-
Communications		918	924
Travelling		1,380	593
Legal and professional fee		182	925
Sundry		22,607	12,232
Depreciation	4.2	2,151	1,851
Depreciation right of use assets	4.6.1	5,579	-
		301,996	383,738

31.1 These include Rs.3.399 million (2023: Rs.2.610 million) representing expenditure on defined benefit plan.

32 ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries, allowances and benefits	32.1	371,099	335,681
Rent, rates and taxes		1,111	27,476
Insurance		11,772	7,915
Repairs and maintenance		40,318	34,522
Travelling		10,718	3,076
Communications		9,059	7,168
Legal and professional fees		19,789	8,677
Utilities		2,123	13,899
Printing and stationery		330	664
Transportation		25,377	9,223
Sundry		30,047	28,600
Depreciation	4.2	11,438	12,230
Depreciation right of use assets	4.6.1	18,141	-
Amortization of intangible assets	5	10,025	10,025
		561,347	499,156

32.1 These include Rs.0.018 million (2023: Rs.0.010 million) and Rs.68.509 million (2023: Rs.39.937 million) respectively, representing contribution to defined contribution plan by the Company and expenditure on defined benefit plan.

		Note	(Rupees in Thousand) 2024	2023
33	**OTHER OPERATING EXPENSES**			
	Impairment allowance for ECL - net	11.7	52,641	-
	Impairment allowance for slow moving stores, spare parts and loose tools - net	9.1	21,034	16,189
	Impairment in long term investments	6.3 & 6.6	38,357	26,316
	Exchange loss - net		-	8,328
	Corporate social responsibility	33.1	4,954	37,274
	Auditors' remuneration	33.2	3,678	3,760
			120,664	91,867

33.1 This includes donations of Rs.3.954 million (2023: Rs.22.148 million) to a related party Messrs. Gatron Foundation in which Chief Executive and three directors of the Company are governors and a donation of Rs.1 million (2023: Rs.Nil) to Messrs. Memon Health and Education Foundation. No Donations amounting to Rs 1,000,000 or 10% of total donation to single donee. None of the directors or their spouses has any interest in any other donee fund, so far as other donations are concerned.

		2024	2023
33.2	**Auditors' remuneration**		
	Audit fee - Annual financial statements	2,750	2,500
	Limited review, audit of annual consolidated financial statements and certification fee	445	390
	Sindh Sales Tax on services	256	231
	Out of pocket expenses	227	639
		3,678	3,760

		Note	2024	2023
34	**OTHER INCOME**			
	Income from financial assets			
	Reversal of impairment allowance for ECL - net	11.7	-	3,501
	Profit on deposits		109,828	209
			109,828	3,710
	Income from non - financial assets & others			
	Gain on disposal of property, plant and equipment	4.3.1	22,088	5,040
	Liabilities no more payable written back		29,470	3
	Amortization of interest free long term loan to subsidiary company		41,722	18,463
	Amortization of Government Scheme		12,559	10,454
	Exchange gain - net		44,659	-
	Remeasurement gain on discounting of provision for GIDC	21.3	12,664	4,417
	Reversal of provision for Workers' Welfare Fund	22.13	16,301	-
	Insurance claim		-	32,202
	Miscellaneous income		359	310
			179,822	70,889
			289,650	74,599

		Note	2024	2023
			(Rupees in Thousand)	

35 FINANCE COSTS

	Note	2024	2023
Profit on long term financing		**209,266**	135,602
Interest on lease liability against right of use assets		**22,495**	-
Mark up/profit on short term borrowings		**1,238,763**	910,304
Un-winding of long term provision for GIDC	21.3	**15,082**	15,440
Interest on Workers' Profit Participation Fund	22.12	**-**	458
Bank charges and guarantee commission		**8,981**	12,701
	35.1	**1,494,587**	1,074,505

35.1 It includes finance costs under Shariah Complaint arrangement amounting to Rs.1,217.784 million (2023: Rs.644.237 million).

36 INVESTMENT INCOME - DIVIDEND

	2024	2023
Dividend income from subsidiary company		
- Messrs. Gatro Power (Private) Limited	**-**	1,072,313
Dividend income from investment in mutual fund	**8,538**	-
	8,538	1,072,313

37 LEVIES

	Note	2024	2023
Final Tax		**9,435**	8,997
Minimum tax		**414,976**	329,678
	27 & 38.1	**424,411**	338,675

This represent final tax under section 5, 154 and 113 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

38 INCOME TAX

	Note	2024	2023
For the prior year	27	**(94,553)**	-
Deferred	21.1.1	**(219,047)**	7,301
		(313,600)	7,301

38.1 Relationship between levies and income tax and profit before income tax :

	2024	2023
(Loss)/profit before income tax	**(93,547)**	551,276
Income tax rate	**29%**	29%
Income tax on profit before income tax	**(27,129)**	159,870
Tax effect of:		
group taxation impact	**-**	(310,971)
minimum tax	**414,976**	329,678
tax loss	**(199,148)**	210,967
income assessed under final tax regime - export sales	**24,296**	1,340
Income tax differential on dividend income taxed at lower rate.	**(1,195)**	-
Reversal of prior year income tax	**(94,553)**	-
others	**(6,436)**	(44,908)
Levies and income tax	**110,811**	345,976

38.2 Sufficient provision for tax has been made in these un-consolidated financial statements taking into account the profit or loss for the year and various admissible and inadmissible allowances and deduction under the Income Tax Ordinance, 2001. Position of provision and tax assessed for last three years are as follows:

	(Rupees in Thousand)		
	2023	**2022**	**2021**
Tax provision	338,675	521,150	246,185
Tax assessed	199,442	210,317	150,456

The difference between tax provision and tax assessed is mainly due to the fact that provision of for super tax has been made at the rate of 10% whereas no amount of super tax was paid along with the return in line with the then applicable interim stay issued by the Sindh High Court [SHC]. Later on the case was decided in favour of the Company against which the tax department has filed appeal before the Supreme Court of Pakistan [SCP]. The SCP vide interim order has directed the Company to pay super tax at the rate of 4% instead of 10%. Final judgment of the SCP has not yet been issued. Other differences represent change in the pattern of computation of income and tax thereon in line with the judgement of the SHC and Appellate Tribunal Inland Revenue reported as 2022 PTD 558 and 2022 PTD 599 respectively. Due to these differences, corresponding difference is also there in provision of WWF as per financial statements and the amount as per income tax return.

	(Rupees in Thousand)	
	2024	**2023**
39 (LOSS)/EARNINGS PER SHARE - Basic and diluted		
(Loss)/profit for the year	**(204,358)**	205,300
	(Number of Shares)	
Weighted average number of Ordinary Shares in issue during the year	**86,718,699**	78,781,913
	(Rupees)	
		Restated
(Loss)/earnings per share - Basic and diluted	**(2.36)**	2.61

39.1 Weighted average number of shares for the year ended 30 June 2023 have been restated due to issuance of right shares as stated in note 18 of these un-consolidated financial statements.

39.2 There is no dilutive effect on the basic earnings per share of the Company.

		(Rupees in Thousand)	
	Note	**2024**	**2023**
40 CASH AND CASH EQUIVALENTS			
Cash and bank balances	**16**	**297,008**	336,613
Short term borrowings - Running finance	**25**	**(3,414,738)**	(7,674,415)
		(3,117,730)	(7,337,802)

41 FINANCIAL INSTRUMENTS

	2024	2023
	(Rupees in Thousand)	
Financial assets as per statement of financial position		
- Measured at amortized cost		
Loans and advances	**445,291**	257,433
Deposits	**73,843**	386,736
Trade debts	**3,516,225**	3,975,789
Other receivables	**175,513**	199,742
Cash and bank balances	**297,008**	336,613
	4,507,880	5,156,313
Financial liabilities as per statement of financial position		
- Measured at amortized cost		
Long term financing	**9,703,216**	8,911,873
Lease liability against right of use assets	**122,769**	-
Trade and other payables	**3,501,421**	7,657,992
Unclaimed dividend	**8,219**	21,055
Unpaid dividend	**20,801**	20,801
Accrued mark up/profit	**543,012**	882,396
Short term borrowings	**3,579,563**	8,474,415
	17,479,001	25,968,532

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

41.1 MEASUREMENT OF FAIR VALUE

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

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

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

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

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

41.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

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

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

41.2.1 Market Risk

A Foreign exchange risk

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

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

	(Rupees in Thousand)	
	2024	**2023**
Trade creditors	**122,322**	1,044,260
Bills Payable	**1,922,650**	3,747,552
	2,044,972	4,791,812
Trade Debts	**(38,146)**	(252,051)
Receivable from suppliers	**(119,265)**	(163,140)
Cash at bank in foreign currency accounts	**(204,337)**	(129,819)
	(361,748)	(545,010)
	1,683,224	4,246,802
Commitments - Outstanding letters of credit	**1,507,461**	6,745,562
Net exposure	**3,190,685**	10,992,364

The following significant exchange rates have been applied:

	Rupees			
	Average rate		Reporting date rate	
	2024	**2023**	**2024**	**2023**
USD to PKR	**282.90**	248.04	**278.30**	286.60
Euro to PKR	**305.97**	260.52	**297.98**	313.64
CHF to PKR	**-**	265.25	**-**	320.90

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

	(Rupees in Thousand)			
	Average rate		Reporting date rate	
	2024	**2023**	**2024**	**2023**
Effect on statement of profit or loss				
USD to PKR	**296,446**	915,496	**292,217**	1,057,823
Euro to PKR	**27,521**	33,098	**26,852**	39,846
CHF to PKR	**-**	1,296	**-**	1,567
	323,967	949,890	**319,069**	1,099,236

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

B Price risk

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

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

C Interest / Markup rate risk

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

			(Rupees in Thousand)	
	2024	**2023**	**2024**	**2023**
	Effective rate (in %)		Carrying amount	
Financial Assets				
Variable rate instruments				
Bank balance	**6.60 - 20.67**	13.75 - 14.00	**1,574**	1,535
Financial Liabilities				
Variable rate instruments				
Long term financing	**18.54 - 24.53**	10.90 - 22.67	**(4,576,414)**	(3,515,834)
Short term borrowings	**16.40 - 23.43**	2.40 - 22.48	**(3,579,563)**	(8,474,415)
			(8,154,403)	(11,988,714)

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 2023.

	Statement of profit or loss before tax	
	100 bp increase	100 bp decrease
As at June 30, 2024		
Cash flow sensitivity - Variable rate	**(81,544)**	**81,544**
As at June 30, 2023		
Cash flow sensitivity - Variable rate	(119,887)	119,887

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.4,507.880 million (2023: Rs.5,156.313 million), financial assets of Rs.4,504.446 million (2023: Rs.5,154.365 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)	
	2024	2023
Loans and advances	**445,291**	257,433
Deposits	**73,843**	386,736
Trade debts	**3,516,225**	3,975,789
Other receivables	**175,513**	199,742
	3,691,738	4,175,531
Bank balances	**293,574**	334,665
	4,504,446	5,154,365

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.

	(Rupees in Thousand)	
	2024	2023
The aging of trade debts and other receivables at the reporting date:		
Not past due	1,000,834	3,779,585
Past due 1-30 days	947,476	168,807
Past due 31-90 days	1,013,221	86,917
Past due 91-180 days	513,934	130,288
Past due 180 days	387,093	128,113
	3,862,558	4,293,710
Allowance for ECL - local	(170,820)	(118,179)
	3,691,738	4,175,531

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

Banks	Rating Agency	Rating Short term	Rating Long term	(Rupees in Thousand) 2024	2023
Bank Al-Falah Limited	PACRA	A-1+	AA+	16,271	78,194
Bank Al-Habib Limited	PACRA	A-1+	AAA	7,488	4,272
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	2,367	2,054
Faysal Bank Limited	PACRA	A-1+	AA	4,907	6,789
Habib Bank Limited	VIS	A-1+	AAA	1,432	15,786
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	142,100	132,840
MCB Bank Limited	PACRA	A-1+	AAA	31,170	22,148
Meezan Bank Limited	VIS	A-1+	AAA	24,893	43,536
National Bank of Pakistan	PACRA	A-1+	AAA	815	4,779
Soneri Bank Limited	PACRA	A-1+	AA-	1,458	-
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA	60,238	21,994
The Bank of Punjab	PACRA	A-1+	AA+	118	86
United Bank Limited	VIS	A-1+	AAA	317	2,187
				293,574	334,665

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, 2024, the Company has Rs.13,080 million available borrowing limit from financial institutions. The Company has unutilized borrowing facilities of Rs.9,500 million in addition to balances at banks of Rs.294 million. Based on the above, management believes the liquidity risk to be insignificant. The following are the contractual maturities of financial liabilities, including interest/mark up payments.

	Carrying Amount	Contractual Cash Flow	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
			----- (Rupees in Thousand) -----				
2024							
Long term financing	**9,703,216**	**16,871,666**	**1,485,352**	**1,343,369**	**2,677,720**	**6,855,494**	**4,509,731**
Lease liability against right of use assets	**122,769**	**182,551**	**18,902**	**19,270**	**41,988**	**102,391**	**-**
Trade and other payables	**3,501,421**	**3,501,421**	**3,501,421**	**-**	**-**	**-**	**-**
Unclaimed dividend	**8,219**	**8,219**	**8,219**	**-**	**-**	**-**	**-**
Unpaid dividend	**20,801**	**20,801**	**20,801**	**-**	**-**	**-**	**-**
Accrued mark up/profit	**543,012**	**543,012**	**543,012**	**-**	**-**	**-**	**-**
Short term borrowings	**3,579,563**	**3,782,929**	**3,782,929**	**-**	**-**	**-**	**-**
	17,479,001	**24,910,599**	**9,360,636**	**1,362,639**	**2,719,708**	**6,957,885**	**4,509,731**

2023	Carrying Amount	Contractual Cash Flow	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
Long term financing	8,911,873	15,509,267	1,263,080	860,085	1,960,730	6,053,270	5,372,102
Trade and other payables	7,657,992	7,657,992	7,657,992	-	-	-	-
Unclaimed dividend	21,055	21,055	21,055	-	-	-	-
Unpaid dividend	20,801	20,801	20,801				
Accrued mark up/profit	882,396	882,396	882,396	-	-	-	-
Short term borrowings	8,474,415	8,475,972	8,475,972	-	-	-	-
	25,968,532	32,567,483	18,321,296	860,085	1,960,730	6,053,270	5,372,102

41.3 CAPITAL RISK MANAGEMENT

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

The gearing ratio as at June 30, 2024 and June 30, 2023 were as follows:

	(Rupees in Thousand)	
	2024	**2023**
Total borrowings	**13,282,779**	17,386,288
Cash and bank balances	**(297,008)**	(336,613)
Net debt	**12,985,771**	17,049,675
Total equity	**13,287,163**	7,860,067
Total capital	**26,272,934**	24,909,742
Gearing ratio	**49%**	68%

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

	2024				
	----- (Rupees in Thousand) -----				
	Long term loan	Short Term Borrowings	Dividend	Lease Liability	Total
Balance as at July 1, 2023	8,911,873	8,474,415	41,856	-	17,428,144
Changes from financing cash flows					
Repayment of long term loan	(780,620)	-	-	-	(780,620)
Proceeds from long term loan	1,420,696	-	-	-	1,420,696
Lease rentals paid	-	-	-	(32,271)	(32,271)
Accretion of interest	-	-	-	22,495	22,495
Addition / re-assessment / termination of leases	-	-	-	132,545	132,545
Dividend paid	-	-	(12,836)	-	(12,836)
Total changes from financing activities	640,076	-	(12,836)	122,769	750,009
Other changes	126,378	213,006	-	-	339,384
Interest expense	209,266	1,238,763	-	22,495	1,470,524
Interest paid	(335,644)	(1,451,769)	-	(22,495)	(1,809,908)
Deferred government grant recognized	151,267	-	-	-	151,267
Changes in short term borrowings	-	(4,894,852)	-	-	(4,894,852)
Total loan related other changes	151,267	(4,894,852)	-	-	(4,743,585)
Total equity related other changes	-	-	-	-	-
Balance as at June 30, 2024	**9,703,216**	**3,579,563**	**29,020**	**122,769**	**13,434,568**

	2023				
	----- (Rupees in Thousand) -----				
	Long term loan	Short Term Borrowings	Dividend	Lease Liability	Total
Balance as at July 1, 2022	5,973,532	4,891,866	21,381	-	10,886,779
Changes from financing cash flows					
Repayment of long term loan	(228,879)	-	-	-	(228,879)
Proceeds from long term loan	4,123,805	-	-	-	4,123,805
Dividend paid	-	-	(94,618)	-	(94,618)
Total changes from financing activities	3,894,926	-	(94,618)	-	3,800,308
Other changes	(515,561)	(161,584)	-	-	(677,145)
Interest expense	135,602	910,304	-	-	1,045,906
Interest paid	379,959	(748,720)	-	-	(368,761)
Fair value differential of long term finance transferred	(1,066,985)	-	-	-	(1,066,985)
Deferred government grant recognized	110,400	-	-	-	110,400
Changes in short term borrowings	-	3,582,549	-	-	3,582,549
Total loan related other changes	(956,585)	3,582,549	-	-	2,625,964
Total equity related other changes	-	-	115,093	-	115,093
Balance as at June 30, 2023	**8,911,873**	**8,474,415**	**41,856**	**-**	**17,428,144**

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

42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

(Rupees in Thousand)

Particulars	Chief Executive		Directors		Executives		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Managerial remuneration	14,148	13,226	9,036	15,839	409,908	340,537	433,092	369,602
Post employment benefits	7,927	5,889	1,462	7,248	45,580	53,165	54,969	66,302
Utilities	-	17	-	15	-	11	-	43
Other benefits	-	3,122	-	2,370	67,552	142,074	67,552	147,566
Reimbursement	-	-	-	-	3,897	3,848	3,897	3,848
Total	22,075	22,254	10,498	25,472	526,937	539,635	559,510	587,361
Number of persons for remuneration	1	1	1	2	106	86	108	89

42.1 Aggregate amount of meeting fee to 9 non-executive directors (2023: 7 non-executive Directors) was Rs.2.150 million (2023: Rs.1.850 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.122.253 million (2023: Rs.114.983 million) in respect of shared resources of certain directors and executives.

43 SEGMENT REPORTING

43.1 Reportable segments

The Company's reportable segments are as follows:

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

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

43.2 Segment results:

The segment information for the reportable segments for the year ended June 30, 2024 is as follows:

(Rupees in Thousand)

	2024			2023		
	Polyester Filament Yarn	Polyester PET Preforms	Total	Polyester Filament Yarn	Polyester PET Preforms	Total
External sales	30,289,729	3,723,852	34,013,581	22,541,665	4,842,115	27,383,780
Segment result before depreciation	1,275,287	812,077	2,087,364	592,768	910,039	1,502,807
Less: Depreciation	(792,144)	(71,704)	(863,848)	(845,586)	(86,485)	(932,071)
Segment result after depreciation	483,143	740,373	1,223,516	(252,818)	823,554	570,736

Reconciliation of segment results with (Loss)/profit before levies and income tax:

	2024	2023
Total results for reportable segments	1,223,516	570,736
Other operating expenses	(120,664)	(91,867)
Other income	289,650	74,599
Finance costs	(1,494,587)	(1,074,505)
Investment income - Dividend	8,538	1,072,313
(Loss)/profit before levies and income tax	**(93,547)**	551,276

Assets and liabilities by segments are as follows:

	Polyester Filament Yarn 2024	Polyester PET Preforms 2024	Total 2024	Polyester Filament Yarn 2023	Polyester PET Preforms 2023	Total 2023
Segment assets	28,461,355	814,333	29,275,688	31,313,879	1,758,171	33,072,050
Segment liabilities	14,207,708	475,089	14,682,797	12,587,734	500,476	13,088,210

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

	Assets 2024	Liabilities 2024	Assets 2023	Liabilities 2023
Total for reportable segments	29,275,688	14,682,797	33,072,050	13,088,210
Unallocated	5,313,198	6,618,926	4,504,764	16,628,537
Total as per un-consolidated statement of financial position	**34,588,886**	**21,301,723**	37,576,814	29,716,747

Other segment information is as follows:

	Polyester Filament Yarn 2024	Polyester PET Preforms 2024	Total 2024	Polyester Filament Yarn 2023	Polyester PET Preforms 2023	Total 2023
Depreciation	792,144	71,704	863,848	845,586	86,485	932,071
Capital expenditures incurred during the year	2,096,335	8,823	2,105,158	7,865,037	11,712	7,876,749
Unallocated capital expenditure incurred during the year			497,473			237,574
Total			**2,602,631**			8,114,323

43.3 97.60% (June 2023: 96.31%) 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, 2024 are located in Pakistan.

43.5 Revenue from major customer individually accounting for more than 10% of the Company's revenue was Rs.5,947.955 million (2023 Rs. Nil).

		Note	2024	2023
			(Metric Tons)	
44	**PLANT CAPACITY AND ACTUAL PRODUCTION**			
	Polyester Filament Yarn	44.1		
	Annual capacity-75 denier		**43,424**	43,424
	Annual capacity-150 denier		**86,280**	86,280
	Actual production		**52,517**	54,594
	Polyester P.E.T. Preforms	44.2		
	Annual capacity - 27 gms		**31,512**	31,512
	Actual production		**12,676**	12,298
	Knitted Fabrics	44.3		
	Annual capacity		**1,090**	1,090
	Actual production		**699**	681

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 462.150 million (2023: 480.266 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 market demand of the Company's product, which is increasing gradually.

45 TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of relationship	Basis of relationship	Nature of transaction	2024 (Rupees in Thousand)	2023
Gatro Power (Private) Limited	Subsidiary Company	100% ownership	Purchase of power	**2,976,300**	2,206,265
			Receipt of dividend	**-**	1,072,313
			Plant operation arrangement	**42,000**	42,000
			Reimbursement of expenses	**56,551**	3,373
Global Synthetics Limited	Subsidiary Company	100% ownership	Investment made	**200**	-
			Reimbursement of expenses		
G-Pac Energy (Private) Limited	Subsidiary Company	100% ownership	Long term loan disbursed	**364,750**	158,159
			Repayment of long term loan	**63,550**	145,745
			Reimbursement of expenses	**21**	18
Novatex Limited	Related Party	Common directorship	Sale of goods	**4,097,801**	8,277
			Rendering of services	**1,850,154**	84,681
			Purchase of raw and other material	**1,273,202**	596,852
			Obtaining of services	**170,861**	674,311
			Purchase of property, plant & equipment	**-**	410,258
			Sale of property, plant & equipment	**-**	3,027

Name	Nature of relationship	Basis of relationship	Nature of transaction	2024	2023
				(Rupees in Thousand)	
Novatex Limited	Related Party	Common directorship	Rent	**23,976**	21,512
			Reimbursement of expenses	**394,500**	254,550
Krystalite Product (Private) Limited	Related Party	Common key management	Sale of goods	**173,981**	358,835
			Sale of property, plant & equipment	**2,450**	-
			Reimbursement of expenses	**2,585**	1,256
Mushtaq & Company (Private) Limited	Related Party	Common key management	Sale of goods	**-**	23,431
			sale of other material	**-**	220
Gani & Tayub (Private) Limited	Related Party	Common directorship	Payment of dividend	**-**	4,861
			Rent	**7,800**	9,693
Nova Frontiers Limited	Related Party	Common directorship	Issuance of Right Shares	**5,581,649**	-
Gatron Foundation	Related Party	Common directorship	Payment of donation	**3,954**	22,148
G-Pac Corporation	Related Party	Common directorship	Sale of goods	**415**	-
G&T Tyres (Private) Limited	Related Party	Common directorship	Purchase of other material	**544**	3,749
Nova Mobility (Private) Limited	Related Party	Common directorship	Reimbursement of expenses	**84**	-
Gatron (Ind) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	**6,596**	5,694

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

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

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

46 PROVIDENT FUND RELATED DISCLOSURES

	2024 (Un-audited)	2023 (Audited)
	(Rupees in Thousand)	
The Following information is based on latest financial statements of the Funds.		
Size of the Funds - Total Assets	**150,970**	128,838
Cost of Investments made	**147,377**	125,462
Fair value of investments	**149,862**	127,809
Percentage of investments made (Fair value to size of the fund)	**99.27%**	99.20%

	(Rupees in Thousand)			
	2024		2023	
	Amount	%	Amount	%
46.1 The Break-up of cost of investments is:				
Bank Deposits	**147,377**	**100.00%**	125,462	100.00%

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

	(Number of employees)	
	2024	2023
47 NUMBER OF EMPLOYEES		
Total number of employees as at June 30	**768**	837
Average number of employees during the year	**818**	836

48 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)
Stock in trade	**Stock in trade**	
Finished goods	Goods in process	188,064
Loan and advances	**Property, plant & equipment**	
Advance for purchase of land	Advance for purchase of land	14,800

49 DATE OF AUTHORISATION FOR ISSUE

These un-consolidated financial statements were authorized for issue on October 04, 2024 by the Board of Directors of the Company.

50 GENERAL

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

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

Utilization of Proceeds from the 100% Right Issue

Gatron (Industries) Limited (the "Company") successfully completed the 100% right issue, with proceeds allocated to specific strategic purposes as outlined in the offer document.

Right proceeds of PKR 5,600,000,000 along with profit on deposit as received, representing 100% of the total allocated amount, was utilized to finance the Company's working capital needs as detailed in the offer documents.

This disclosure is based on an agreed-upon procedures report provided by independent auditors, ensuring transparency and compliance with the Company's objectives as outlined during the right issue.

Pattern of Shareholding

As on June 30, 2024

No. of Shareholders	Shareholdings From	Shareholdings To	Total Shares Held
310	1	100	19,155
244	101	500	68,570
544	501	1000	526,190
274	1001	5000	460,541
17	5001	10000	131,940
2	10001	15000	22,509
1	25001	30000	28,600
1	65001	70000	67,282
1	90001	95000	92,000
1	135001	140000	140,000
2	225001	230000	458,390
1	250001	255000	252,000
1	350001	355000	353,090
1	395001	400000	400,000
1	400001	405000	401,252
1	475001	480000	478,390
2	480001	485000	960,780
1	585001	590000	588,090
5	705001	710000	3,540,930
1	735001	740000	738,186
1	795001	800000	800,000
2	995001	1000000	2,000,000
1	1000001	1005000	1,001,000
1	1035001	1040000	1,037,152
1	1140001	1145000	1,143,224
1	1175001	1180000	1,177,116
1	1180001	1185000	1,184,066
1	1225001	1230000	1,227,668
1	1305001	1310000	1,308,000
1	2105001	2110000	2,106,713
1	2340001	2345000	2,340,490
1	2365001	2370000	2,367,612
1	2685001	2690000	2,689,040
1	2885001	2890000	2,885,698
1	3005001	3010000	3,008,200
1	3240001	3245000	3,240,774
1	4175001	4180000	4,179,210
1	5615001	5620000	5,616,140
1	6060001	6065000	6,061,606
1	6450001	6455000	6,451,652
1	6925001	6930000	6,926,740
1	8350001	8355000	8,353,825
1	31895001	31900000	31,895,139
1,435		Total	108,728,960

Categories of Shareholders	Share Held	Percentage
Directors, Chief Executive Officer their Spouse(s) and Minor Children, if any.	27,475,624	25.27
Associated Companies, Undertakings and Related Parties	35,135,913	32.32
NIT and ICP	1,200	0.00
Banks Development Financial Institutions, Non Banking Financial Institutions	12,549,740	11.54
Insurance Companies	400	0.00
Modarabas and Mutual Funds	-	-
General Public		
a) Local	32,145,985	29.57
b) Foreign	1,417,620	1.30
Others	2,478	0.00
	108,728,960	**100.00**

Shareholders holding 10% Shares or more

NOVA Frontiers Limited	31,895,139	29.33

CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of M/s. Gatron (Industries) Limited, we are pleased to present the Audited Consolidated Financial Statements of the Group for the year ended June 30, 2024.

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, 2024, has been annexed separately in this report.

The principal business of Wholly Owned Subsidiary Company Messrs. Gatro Power (Private) Limited is to generate and sell electric power. Due to low operations, the power company could not cover its costs fully and remained in loss.

The principal business of Wholly Owned Subsidiary Company Messrs. G-Pac Energy (Private) Limited is to generate and sell electric power. The operations of this Subsidiary Company are expected to be commenced soon.

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

CONSOLIDATED FINANCIALS:

Operating results for the year ended June 30, 2024	**(Pak Rupees in Thousand)**
Loss before levies and income tax	(327,841)
Levies and Income tax	112,207
Loss after income tax	(440,048)
Un- appropriated Profit brought forward	2,179,798
Un- appropriated Profit carried forward	1,778,223
Loss per share - Basic and diluted (Rupees)	(5.07)

State of Affairs as on June 30, 2024	
Property, plant and equipment	21,533,422
Other non-current assets	76,620
Current assets	16,059,343
Total assets	37,669,385
Deduct:	
Non-current liabilities	9,958,558
Current liabilities	12,903,711
Total liabilities	22,862,269
Net assets financed by shareholders' equity	14,807,116

MATERIAL CHANGES AND COMMITMENTS

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

INTERNAL FINANCIAL CONTROLS

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

ACKNOWLEDGMENT

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

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

October 04, 2024

30 جون 2024ء تک معاملات کی صورتحال	
املاک، پلانٹ اورا یکوپمنٹ	21,533,422
دیگر پائیدار اثاثہ جات	76,620
بدل پزیر اثاثہ جات	16,059,343
کل اثاثہ جات	37,669,385
منہاجات:	
پائیدار واجبات	9,958,558
بدل پزیر واجبات	12,903,711
کل واجبات	22,862,269
خالص اثاثہ جات اداشدہ منجانب ایکوئٹی بابتہ حصص یافتگان	14,807,116

اہم تبدیلیاں اور معاہدات:

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

اندرونی مالیاتی کنٹرول:

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

اظہار تشکر:

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

شبیر دیوان
چیف ایگزیکٹو آفیسر

محمد اقبال بلوانی
ڈائریکٹر

بتاریخ: 04 اکتوبر 2024ء

ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان،

میسرز گیٹرون (انڈسٹریز) لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2024ء کوختم ہونے والے سال کے لیے گروپ ہذا کے آڈٹ شدہ جامع مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کررہے ہیں۔

گروپ

مذکورہ گروپ گیٹرون (انڈسٹریز) لمیٹڈ اوراس کے ذیلی اداروں یعنی گیٹر و پاور (پرائیویٹ) لمیٹڈ، گلوبل سنتھیٹکس لمیٹڈ اور G-پیک انرجی (پرائیویٹ) لمیٹڈ پر مشتمل ہے۔ ہولڈنگ کمپنی یعنی گیٹرون (انڈسٹریز) لمیٹڈ کی 30 جون 2024ء کوختم ہونے والی کارکردگی کے بارے میں ڈائریکٹر کی رپورٹ کو مذکورہ رپورٹ میں علیحدہ سے منسلک کیا گیا ہے۔

مکمل ملکیتی ذیلی کمپنی میسرز گیٹر و پاور (پرائیویٹ) لمیٹڈ کا بنیادی کاروبار بجلی کی پیداوار اور فروخت ہے۔ کم آپریشنز کی وجہ سے، پاور کمپنی اپنی لاگتوں کو مکمل طور پر پورا نہ کرسکی اور نقصان میں رہی۔

مکمل ملکیتی ماتحت کمپنی میسرز G-پیک انرجی (پرائیویٹ) لمیٹڈ کا بنیادی کاروبار بجلی پیدا کرنا اور فروخت کرنا ہے۔ اس ذیلی کمپنی کی کارروائیاں جلد شروع ہونے کی توقع ہے۔

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

جامع مالیات:

	پاکستانی روپے (ہزاروں میں)
آپریٹنگ نتائج برائے سال مختتمہ 30 جون 2024ء	
خسارہ قبل از انکم ٹیکس	(327,841)
محصولات اور انکم ٹیکس	112,207
خسارہ بعد از انکم ٹیکس	(440,048)
غیر متصرف منافع گزشتہ (Un- appropriated Profit brought forward)	2,179,798
غیر متصرف منافع حالیہ (Un- appropriated Profit carried forward)	1,778,223
نقصان فی شیئر بنیادی اور تقسیم شدہ (Loss per share - Basic and diluted) (روپے)	(5.07)

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

Report on the Audit of the 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, 2024, and 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 annexed consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion the annexed consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024 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 attention to the contents of notes 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 annexed consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD

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CHARTERED ACCOUNTANTS

Following are the Key audit matters:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	Property, plant & equipment During the year, the Group has incurred significant capital expenditures as disclosed in note 5 of the annexed consolidated financial statements. Capital expenditures incurred during the year represent significant transactions and involve judgments in respect of capitalisation of elements of eligible components of costs, including borrowing costs, as per the applicable reporting standards in determining, when the assets are available for use and estimation of their useful lives and residual value. Accordingly, we have identified the capital expenditure and as a key audit matter.	Our audit procedures included the following: ➢ Obtaining an understanding of the Group's process with respect to capital expenditure including determination of useful lives and testing the Group's controls in this area; ➢ Evaluated whether the components of capitalized cost including borrowing cost meet the recognition criteria for capitalization as set out in the relevant applicable accounting standard; ➢ Checked the timing of capitalisation by examining, on a sample basis, relevant completion certificates and other related information; ➢ Examined, on a sample basis, vendors' agreements, invoices and payments made for acquisition, installations of the operating assets capitalized during the year in order to assess the nature, occurrence and the accuracy with which the costs were capitalized; and ➢ Assessed the adequacy of the Group's disclosures in accordance with the applicable financial reporting framework.

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 of the Company, 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 or conclusion thereon.

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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 Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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.

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CHARTERED ACCOUNTANTS

- 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 Shaikh Mohammad Tanvir.

Chartered Accountants
Karachi:
Dated: October 04, 2024
UDIN: AR202410225q8Yi3BgNc

Consolidated Statement of Financial Position

AS AT JUNE 30, 2024

	Note	2024	2023
		(Rupees in Thousand)	
ASSETS			
Non - Current Assets			
Property, plant and equipment	5	21,533,422	19,688,741
Intangible assets	6	60,152	70,177
Long term loans	7	9,532	2,766
Long term deposits	8	6,936	4,919
		21,610,042	19,766,603
Current Assets			
Stores, spare parts and loose tools	9	2,845,915	2,171,428
Stock in trade	10	7,503,024	11,386,739
Trade debts	11	3,516,225	3,975,789
Loans and advances	12	428,652	507,472
Current portion of long term loans	13	13,411	12,998
Trade deposits and short term prepayments	14	83,653	404,956
Other receivables	15	961,506	1,992,042
Advance income tax		70,000	100,000
Short term investments	16	296,297	-
Cash and bank balances	17	340,660	384,084
		16,059,343	20,935,508
TOTAL ASSETS		37,669,385	40,702,111
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	1,087,290	767,290
Capital reserves	19	11,656,603	6,383,645
General reserve	20	285,000	285,000
Unappropriated profit		1,778,223	2,179,798
		14,807,116	9,615,733
LIABILITIES			
Non - Current Liabilities			
Long term financing	21	8,507,127	8,179,328
Lease liability against right of use assets	22	107,749	-
Deferred liabilities and income	23	1,343,682	1,688,031
		9,958,558	9,867,359
Current Liabilities			
Trade and other payables	24	6,358,763	9,907,287
Unclaimed dividend		8,219	21,055
Unpaid dividend	25	20,801	20,801
Accrued mark up/ profit	26	543,012	882,396
Short term borrowings	27	3,579,563	8,474,415
Current portion of long term financing	21	1,196,089	732,545
Current portion of lease liability against right of use assets	22	15,020	-
Current portion of deferred liabilities and income	28	981,914	929,213
Provision for income tax less payments	29	200,330	251,307
		12,903,711	21,219,019
CONTINGENCIES AND COMMITMENTS	30		
TOTAL EQUITY AND LIABILITIES		37,669,385	40,702,111

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

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

Buying/Selling closing conversion rates were 1 US$ = Rs.278.30/278.80, 1 Euro € = Rs.297.98/298.54 and 1 Pound £ = Rs.351.22/351.85

Consolidated Statement of Profit or Loss
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023 Restated
		(Rupees in Thousand)	
Sales	31	34,013,581	27,383,780
Cost of sales	32	32,023,787	25,383,514
Gross profit		1,989,794	2,000,266
Distribution and selling costs	33	301,996	383,738
Administrative expenses	34	577,615	510,788
Other operating expenses	35	193,778	105,183
		1,073,389	999,709
		916,405	1,000,557
Other income	36	369,472	305,606
Operating profit		1,285,877	1,306,163
Finance costs	37	1,622,256	1,209,655
		(336,379)	96,508
Investment income - Dividend	38	8,538	-
(Loss)/profit before levies and income tax		(327,841)	96,508
Levies	39	424,411	338,675
(Loss)/profit before income tax		(752,252)	(242,167)
Income tax - Current & Prior		(93,157)	-
- Deferred		(219,047)	7,301
	40	(312,204)	7,301
Loss for the year		(440,048)	(249,468)
Loss per share - Basic and diluted (Rupees)	41	(5.07)	(3.17)

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

MUSTUFA BILWANI
Chief Financial Officer

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in Thousand)	
Loss for the year		**(440,048)**	(249,468)
Items that will never be reclassified to profit or loss			
Gain/(loss) on remeasurement of defined benefit plan having nil tax impact	**23.2**	**38,473**	(2,159)
Total comprehensive loss		**(401,575)**	(251,627)

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

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital	Capital reserve (Note 19)	General reserve	Unappropriated profit	Total
	(Rupees in Thousand)				
Balances as at July 01, 2022	383,645	383,645	3,535,000	5,680,163	9,982,453
Total comprehensive loss for the year ended June 30, 2023					
Loss for the year	-	-	-	(249,468)	(249,468)
Other comprehensive loss	-	-	-	(2,159)	(2,159)
	-	-	-	(251,627)	(251,627)
Transfer to capital reserves	-	6,000,000	(3,250,000)	(2,750,000)	-
Transactions with owners					
Interim cash dividend for the year ended June 30, 2023 at Rs.3.00 per share i.e. @30%	-	-	-	(115,093)	(115,093)
Issuance of Bonus shares @100% i.e. Rs.10 per share	383,645	-	-	(383,645)	-
	383,645	-	-	(498,738)	(115,093)
Balances as at June 30, 2023	767,290	6,383,645	285,000	2,179,798	9,615,733
Total comprehensive loss for the year ended June 30, 2024					
Loss for the year	-	-	-	(440,048)	(440,048)
Other comprehensive loss	-	-	-	38,473	38,473
	-	-	-	(401,575)	(401,575)
Transactions with owners					
Subscription of shares against right issue @41.7052% at a premium of Rs.165 per share	320,000	5,280,000	-	-	5,600,000
Share issue cost	-	(7,042)	-	-	(7,042)
Balances as at June 30, 2024	**1,087,290**	**11,656,603**	**285,000**	**1,778,223**	**14,807,116**

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

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

Consolidated Statement of Cash Flows
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in Thousand)	
Cash Flows from/(towards) Operating Activities			
(Loss)/Profit before levies and income tax		(327,841)	96,508
Adjustments for:			
Depreciation	5.2	1,020,403	1,135,289
Depreciation on right of use assets	33	23,720	-
Provision for defined benefit plan	23.2	131,243	90,243
Gain on disposal of property, plant and equipment	36	(22,774)	(5,040)
(Reversal)/Impairment allowance for ECL-net	11.7	52,641	(3,501)
Impairment allowance for slow moving stores, spare parts and loose tools-net	35	28,755	21,346
Amortization of intangible asset	34	10,025	10,025
Remeasurement (gain)/loss on discounting of provision for GIDC	36	(118,813)	(72,382)
Investment income - Dividend	38	(8,538)	-
Finance costs	37	1,622,256	1,209,655
		2,738,918	2,385,635
		2,411,077	2,482,143
Decrease/(Increase) in current assets:			
Stores, spare parts and loose tools		(703,242)	(458,361)
Stock in trade		3,883,715	(5,068,639)
Trade debts		406,923	350,239
Loans and advances		78,820	(180,782)
Trade deposits and short term prepayments		321,303	(179,048)
Other receivables		1,030,536	(1,410,846)
Sales tax refund due from Federal Government		-	8,634
		5,018,055	(6,938,803)
(Decrease)/Increase in Trade and other payables		(3,400,353)	6,001,041
Cash flows from operations before following		4,028,779	1,544,381
(Payments for)/receipts of:			
Long term loans		(7,179)	(11,477)
Long term deposits		(2,017)	(2,074)
Defined benefit plan	23.2	(36,786)	(25,820)
Finance costs		(1,939,145)	(532,510)
Income tax		(358,907)	(391,366)
Net cash flows from operating activities		1,684,745	581,134
Cash Flows (towards)/from Investing Activities			
Additions in property, plant and equipment		(2,779,203)	(8,476,827)
Proceeds from disposal of property, plant and equipment	5.3	45,718	18,073
Additions in intangible assets	6	-	(20,608)
Increase in short term investments	16	(296,297)	-
Dividend received	38	8,538	-
Net cash flows towards investing activities		(3,021,244)	(8,479,362)
Cash Flows from/(towards) Financing Activities			
Proceed against issue of share capital net of issuance cost		5,592,958	-
Long term financing - proceeds received		1,420,696	4,123,805
Long term financing - repayments		(780,620)	(228,879)
Payments for lease liability against right of use assets		(32,271)	-
Short term borrowings - net (fixed term instruments)		(635,175)	(550,000)
Dividend paid		(12,836)	(94,618)
Net cash flows from financing activities		5,552,752	3,250,308
Net increase/(decrease) in cash and cash equivalents		4,216,253	(4,647,920)
Cash and cash equivalents at the beginning of the year		(7,290,331)	(2,642,411)
Cash and cash equivalents at the end of the year	42	(3,074,078)	(7,290,331)

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

MUSTUFA BILWANI
Chief Financial Officer

1 THE GROUP AND ITS OPERATIONS

The Group consists of :

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

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 and Liaison office of the Parent Company is situated at 11th floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, 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 yet to commence its operations. The principal business of the Subsidiary Company is to generate and sale electric power. The registered office of the Company has been changed from Room no. 32, 1st floor, Ahmed Complex, Jinnah Road, Quetta to 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi. The liaison office of the Subsidiary Company is situated at 11th floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi.

2 BASIS OF CONSOLIDATION

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

3 BASIS OF PREPARATION

3.1 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.

3.2 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2024

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

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

IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes

During the year, the Institute of Chartered Accountants of Pakistan ('ICAP') has withdrawn Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes and the final taxes that are not calculated on the 'taxable profit' as defined in IAS 12 but calculated on turnover or other basis in excess of normal tax liability, and the tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 "Income Taxes" and fall in the ambit of IFRIC 21 "Levies" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Accordingly, the Group has changed its accounting policy to recognize such taxes as 'Levies' which were previously being recognized as 'Income Tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and earnings / loss per share as a result of this change.

	Before change in accounting policy	Impact of adjustment	After Change in accounting policy
Effect on statement of profit or loss			
For the year ended June 30, 2024			
Levies	**-**	**(424,411)**	**(424,411)**
Loss before income tax	**(327,841)**	**(424,411)**	**(752,252)**
Income tax	**(112,207)**	**424,411**	**312,204**
For the year ended June 30, 2023			
Levies	-	(338,675)	(338,675)
Profit before income tax	96,508	(338,675)	(242,167)
Income tax	(345,976)	338,675	(7,301)

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

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

		Effective from accounting period beginning on or after:
IAS-1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS-7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS-16	Leases (Amendments)	January 1, 2024
IAS-21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS-7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS-17	Insurance Contracts	January 1, 2026
IFRS-9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024.

IFRS - 1	First-time Adoption of International Financial Reporting Standards
IFRS - 18	Presentation and Disclosure in Financial Statements
IFRS - 19	Subsidiaries without Public Accountability: Disclosures
IFRIC - 12	Service Concession Arrangement

3.3 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 statement of cash flows.

3.4 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.

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

3.4.1 Property, plant and equipment and Intangible assets

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

3.4.2 Trade debts, advances and other receivables

The estimates of doubtful trade debts, advances and other receivables are made, using and appropriately judging the relevant inputs and applying parameters as stated in note 4.3 & 4.6, as the management considers appropriate, which, on actual occurrence of the subsequent event, may fluctuate. The effect of variation is recorded as and when it takes place.

3.4.3 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.

3.4.4 Stores, spare parts and loose tools

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

3.4.5 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.

3.4.6 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.

3.4.7 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).

3.4.8 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.

3.5 Functional and reporting currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended June 30, 2023. The principal material policies applied in the preparation of these consolidated financial statements are set out below:

4.1 Property, plant and equipment

Recognition and measurement:

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

Depreciation:

Depreciation is charged on diminishing balance method except overhauling of generators, 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 charge from the month of the asset is available for use upto the month prior to disposal.

Subsequent costs:

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

The Group has changed its estimate of useful life of certain Plant and Machinery by changing the depreciation rate from 15% to 10%. The change in accounting estimate has been applied prospectively in accordance with the treatment specified in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Had this estimate not been changed, the profit for the year would have been decreased by Rs.396.157 million and the value of Property, plant and Equipment would also have been decreased by Rs.396.157 million.

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 taken to consolidated statement of profit or loss.

Right of use assets:

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

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

4.2 Intangible Assets

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

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

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

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 3.4.4. 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, 2024.

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

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

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

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

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

4.11 Income Tax

Current

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

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

Deferred

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

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

Levies

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

4.12 Trade and other payables

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

4.13 Provision

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

4.14 Borrowings and their costs

Borrowings are recorded as the proceeds received.

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

4.15 Foreign currency transactions and translation

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

4.16 Revenue recognition

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

- Revenue from sale of goods is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and the control transfers at a point in time, i.e. at the time the goods are dispatched / shipped to customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, returns rebates and government levies.

- Processing services are recognized on completion of services rendered.

- Dividend income is recognized when the right of receipt is established.

- Income from rent is recognized on accrual basis.

- Storage and handling income is recognized on performing services or issuance of invoices.

- Profit on deposits is recognized using the effective interest method.

4.17 Earnings per share

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

4.18 Dividend and appropriation to reserve

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

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

4.19 Financial instruments

Initial measurement of financial asset

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

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

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

Subsequent measurement

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

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

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

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

Non-derivative financial assets

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

4.20 Financial liabilities

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

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

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

4.21 Offsetting of financial assets and financial liabilities

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

4.22 Operating segments

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

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

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

Segment capital expenditure have the total cost incurred during the year to acquire property, plant and equipment. Segment results are stated in note 45.

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	2024	2023
		(Rupees in Thousand)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**15,178,047**	7,252,770
Capital work in progress	5.5	**6,229,325**	12,421,171
Right of use assets	5.6	**108,825**	-
Advance for purchase of land	30.3.1	**17,225**	14,800
		21,533,422	19,688,741

5.1 Operating fixed assets

Particulars	Land		Building		Office premises	Plant and machinery	Furniture and fixture	Factory equipment	Office equipment	Motor vehicles	Overhauling of generators	TOTAL
	Freehold	Leasehold	On freehold land	On leasehold land								
	(Rupees in Thousand)											
Net carrying value												
Year ended June 30, 2024												
Net book value (NBV) as at 01st July. 2023	53,483	47,265	390	789,625	807	6,002,410	2,663	47,028	12,808	183,816	112,475	**7,252,770**
Additions	132,585	-	-	-	-	72,993	-	73,642	2,614	170,327	-	**452,161**
Transfer from capital work in progress (note 5.5)	-	-	-	578,844	-	7,937,619	-	-	-	-	-	**8,516,463**
Less: Disposal at NBV	-	-	-	-	-	-	-	-	2,333	20,611	-	**22,944**
Less: Depreciation	-	-	39	96,286	81	820,278	533	15,432	2,730	49,782	35,242	**1,020,403**
Net book value as at 30th June 2024	**186,068**	**47,265**	**351**	**1,272,183**	**726**	**13,192,744**	**2,130**	**105,238**	**10,359**	**283,750**	**77,233**	**15,178,047**
Gross carrying value												
At June 30, 2024												
Cost	186,068	47,265	14,248	1,940,069	3,921	21,735,568	6,097	195,321	25,288	491,218	420,056	**25,065,119**
Less: Accumulated depreciation	-	-	13,897	667,886	3,195	8,542,824	3,967	90,083	14,929	207,468	342,823	**9,887,072**
Net book value	**186,068**	**47,265**	**351**	**1,272,183**	**726**	**13,192,744**	**2,130**	**105,238**	**10,359**	**283,750**	**77,233**	**15,178,047**
Depreciation rate % per annum	-	-	10	10	10	10 to 20	20	20	20 to 30	20	10 to 30	
Net carrying value												
Year ended June 30, 2023												
Net book value (NBV) as at 01st July, 2022	53,483	47,265	433	846,875	954	6,221,419	2,531	44,335	4,023	176,672	147,849	**7,545,839**
Additions	-	-	-	422	-	340,093	650	12,467	10,450	59,813	-	**423,895**
Transfer from capital work in progress (note 5.5)	-	-	-	27,538	-	403,820	-	-	-	-	-	**431,358**
Less: Disposal at NBV	-	-	-	-	56	-	-	-	-	12,977	-	**13,033**
Less: Depreciation	-	-	43	85,210	91	962,922	518	9,774	1,665	39,692	35,374	**1,135,289**
Net book value as at 30th June, 2023	**53,483**	**47,265**	**390**	**789,625**	**807**	**6,002,410**	**2,663**	**47,028**	**12,808**	**183,816**	**112,475**	**7,252,770**
Gross carrying value												
At June 30, 2023												
Cost	53,483	47,265	14,248	1,361,225	3,921	13,724,956	6,097	121,679	25,674	382,709	420,056	**16,161,313**
Less: Accumulated depreciation	-	-	13,858	571,600	3,114	7,722,546	3,434	74,651	12,866	198,893	307,581	**8,908,543**
Net book value	**53,483**	**47,265**	**390**	**789,625**	**807**	**6,002,410**	**2,663**	**47,028**	**12,808**	**183,816**	**112,475**	**7,252,770**
Depreciation rate % per annum	-	-	10	10	10	15 to 20	20	20	20 to 30	20	10 to 30	

(Rupees in Thousand)

		Note	2024	2023
5.2	**Depreciation for the year has been allocated as follows:**			
	Cost of sales	32	1,006,231	1,121,135
	Distribution and selling costs	33	2,151	1,851
	Administrative expenses	34	12,021	12,303
			1,020,403	1,135,289

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

(Rupees in Thousand)

Description	Cost	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
OFFICE EQUIPMENT						**M/s. Krystalite Products (Pvt) Limited, Karachi**
UPS 10KVA 400V 3S EASY	3,000	2,333	2,450	117	Negotiation	**Related party**
Sub Total	**3,000**	**2,333**	**2,450**	**117**		
MOTOR VEHICLES						
HONDA CITY BPC-288	1,944	656	1,089	433	Company Policy	**Mr. Hanif Khatri** Employee of the company
TOYOTA COROLLA GLI BMX-615	2,129	651	1,179	528	Company Policy	**Mr. Nadeem** Employee of the company
TOYOTA COROLLA GLI BPG-871	2,379	819	1,269	450	Company Policy	**Mr. Faisal** Employee of the company
TOYOTA COROLLA GLI BLX-688	1,969	562	886	324	Company Policy	**Mr. Shahnawaz** Employee of the company
TOYOTA YARIS BSM-361	2,735	1,416	2,463	1,047	Company Policy	**Mr. Shahbaz** Employee of the company
HONDA CITY BPR-391	2,069	698	962	264	Company Policy	**Mr. Tariq Rahim** Employee of the company
TOYOTA FORTUNER AHS-110	6,130	1,848	4,673	2,825	Company Policy	**Mr. Mukhtiar Ali** Employee of the company
HONDA CITY BRM-674	2,527	1,028	2,378	1,350	Company Policy	**Mr. Farhan Uddin Ahmed** Employee of the company
TOYOTA YARIS BYN-731	4,803	3,954	4,512	558	Company Policy	**Mr. Atique Baig** Employee of the company
TOYOTA COROLLA BPZ-538	2,579	870	1,204	334	Company Policy	**Mr. Muhammad Hanif** Employee of the company
TOYOTA COROLLA BPK-665	2,579	808	1,170	362	Company Policy	**Mr. Zainul Abideen** Employee of the company
HONDA BR-V BH-4614	3,217	1,189	1,796	607	Company Policy	**Mr. Abdul Wahab** Employee of the company
Toyota Corolla GLI BPL-945	2,304	707	1,037	330	Company Policy	**Mr. Abdul Wahab Tajwani** Employee of the company
Toyota Altis BQK-431	2,579	863	1,642	779	Company Policy	**Mr. Nadeem Siraj** Employee of the company
Items having book value upto Rs.500 thousand each	21,875	4,542	17,008	12,466	Various	**Various**
Sub Total	**61,818**	**20,611**	**43,268**	**22,657**		
Total - 2024	**64,818**	**22,944**	**45,718**	**22,774**		
Total - 2023	24,328	13,033	18,073	5,040		

(Rupees in Thousand)

		Note	2024	2023
5.3.1	Detail of net gain on disposal of property, plant & equipment			
	Gain on disposal of Property, Plant & Equipment	36	22,774	5,040
			22,774	5,040

5.4 Particulars of Group's immovable operating fixed assets 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	14 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	38 Acres
Building		
On Freehold land	H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	5,500 Sq. Meters
On Leasehold land	H.I.T.E., Hub Chowki, Distt. Lasbela Balochistan	159,500 Sq. Meters
Office Premises	Office#1,3-A, 3-B, 5 & 7 at Textile Plaza, M.A Jinnah Road / Dunolly Road Karachi	350 Sq. Meters
Office Premises	Office#207-212, Gul Tower, I.I Chundrigar Road, Karachi	225 Sq. Meters
Office Premises	Room#32, Ahmed Complex, Jinnah Road, Quetta	30 Sq. Meters
Office Premises	Room#7, Saleem Plaza, Jinnah Road, Quetta	105 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, 2023	Additions	Transfer to Operating fixed assets	Balance as at June 30, 2024
Factory building on lease hold land under construction	**956,303**	**377,996**	**(578,844)**	**755,455**
Plant and machinery under erection	**11,464,868**	**1,946,621**	**(7,937,619)**	**5,473,870**
	12,421,171	**2,324,617**	**(8,516,463)**	**6,229,325**

	Balance as at July 1, 2022	Additions	Transfer to Operating fixed assets	Balance as at June 30, 2023
Factory building on lease hold land under construction	393,522	590,319	(27,538)	956,303
Plant and machinery under erection	4,406,075	7,462,613	(403,820)	11,464,868
	4,799,597	8,052,932	(431,358)	12,421,171

5.5.1 It includes borrowing cost of Rs.388.970 million (2023: Rs.706.912 million) and net of with amortization of government scheme amounting to Rs.138.483 million (2023: Rs.97.775 million). Effective rate of borrowing cost ranges between 3% to 22.80% (2023: 3% to 22.67%).

(Rupees in Thousand)

	2024	2023
5.6 Right of use assets		
Rented Premises		
Additions during the year	**132,545**	-
Depreciation for the year	**(23,720)**	-
Balance as at end of the year	**108,825**	-

	Note	2024	2023
		(Rupees in Thousand)	

5.6.1 Allocation of depreciation

	Note	2024	2023
Distribution and selling costs	33	5,579	-
Administrative expenses	34	18,141	-
		23,720	-

6 INTANGIBLE ASSETS

Software & licences

		2024	2023
Balance as at start of the year		70,177	59,594
Additions during the year		-	20,608
		70,177	80,202
Amortization during the year		(10,025)	(10,025)
Balance as at end of the year		60,152	70,177
Useful life		8 Years	8 Years

7 LONG TERM LOANS - Considered good

Secured - Interest free

	Note	2024	2023
To employees other than Chief Executive & Directors	7.1 & 7.2	22,943	15,764
Amount due in twelve months shown under current assets	13	(13,411)	(12,998)
Recoverable within three years		9,532	2,766

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

		2024	2023
Security deposits for utilities and others		6,936	4,919

9 STORES, SPARE PARTS AND LOOSE TOOLS

In hand:

	Note	2024	2023
Stores		1,070,250	564,200
Spare parts		1,910,751	1,641,317
Loose tools		15,008	10,112
		2,996,009	2,215,629
Impairment allowance for slow moving stores, spare parts and loose tools	9.1	(155,471)	(126,716)
		2,840,538	2,088,913
In transit		5,377	82,515
		2,845,915	2,171,428

(Rupees in Thousand)

		Note	2024	2023
9.1	**Impairment allowance for slow moving stores, spare parts and loose tools**			
	Balance as at start of the year		**126,716**	105,370
	Charge for the year	**35**	**28,755**	21,346
	Balance as at end of the year		**155,471**	126,716

10 STOCK IN TRADE

	Note	2024	2023
Raw and packing material		**2,255,082**	4,300,342
Raw and packing material in transit		**4,122**	2,278,263
Goods in process		**1,392,301**	429,650
Unfinished goods held for sale	**10.1**	**32,744**	280,595
Finished goods	**10.2**	**3,818,775**	4,097,889
		7,503,024	11,386,739

10.1 These include items costing Rs.Nil (2023: Rs.530.595 million) valued at net realizable value of Rs.Nil (2023: Rs.280.595 million).

10.2 These include items costing Rs.90.368 million (2023: Rs.28.416 million) valued at net realizable value of Rs.74.586 million (2023: Rs.21.035 million).

11 TRADE DEBTS

	Note	2024	2023
Considered good			
Secured			
Local		**-**	31,094
Export	**11.1 & 11.2**	**38,146**	252,051
	11.3	**38,146**	283,145
Unsecured - local	**11.4, 11.5 & 11.6**	**3,478,079**	3,692,644
		3,516,225	3,975,789
Allowance for ECL - local			
Unsecured - local		**170,820**	118,179
Allowance for ECL - localt	**11.7**	**(170,820)**	(118,179)
		-	-
		3,516,225	3,975,789

11.1 These represent balances of US$ 0.137 million (2023: US$ 0.879 million).

11.2 These include Rs.0.415 million (2023: Rs.Nil) 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.0.415 million (2023: Rs.Nil).

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

11.4 These include Rs.Nil (2023: Rs.28.300 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.923.309 million (2023: Rs.46.974 million).

11.5 These include Rs.15.431 million (2023: Rs.Nil) due from a related party Messrs. Krystalite Products (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.117.848 million (2023: Rs.263.764 million).

		Note	2024	2023
			(Rupees in Thousand)	
11.5.1	Not past due		8	-
	Past due 1-30 days		-	-
	Past due 31-90 days		15,328	-
	Above 90 days		95	-
			15,431	-

11.6 These include Rs.Nill (2023: Rs.1.296 million) due from a related party Messrs. Mushtaq & Company (Private) Limited. The maximum aggregate amount due at any month end during the year was Rs.1.296 million (2023: Rs.40.511 million).

			2024	2023
11.6.1	Not past due		-	525
	Past due 1-30 days		-	260
	Past due 31-90 days		-	511
			-	1,296

11.7 Allowance for ECL - local

		2024	2023
	Balance as at start of the year	118,179	121,680
	Charge for the year	162,872	51,650
	Reversals since recovered	(110,231)	(55,151)
		52,641	(3,501)
	Balance as at end of the year	170,820	118,179

12 LOANS AND ADVANCES - Considered good

	Note	2024	2023
Secured			
Advances to employees	12.1	4,317	8,331
Unsecured			
Advances:			
to suppliers and contractors	12.2	408,264	420,367
for imports		16,071	78,774
		424,335	499,141
		428,652	507,472

12.1 These represent advances against monthly salaries under terms of employment.

12.2 These include advances against purchase of vehicles Rs.4.216 million (2023: Rs.5.128 million).

13 CURRENT PORTION OF LONG TERM LOANS

	Note	2024	2023
Secured			
Loan recoverable in twelve months from employees	7	13,411	12,998

14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2024	2023
Margins held by banks	14.1	38,742	390,185
Security deposits		39,999	7,520
Prepayments		4,912	7,251
		83,653	404,956

14.1 This represents margin held by bank against opening of Letters of Credit on behalf of the Group.

	Note	2024	2023
		(Rupees in Thousand)	
15 OTHER RECEIVABLES - Considered good			
Receivable from suppliers	15.1	130,810	184,895
Claims receivable from suppliers		7,357	1,742
Claim receivable from Insurance Companies		-	169,393
Sales tax		704,984	1,560,723
Partial alleged sales tax demand paid	30.1.5, 30.1.17, 30.1.19 & 30.1.28	30,483	30,483
Partial alleged income tax demand paid	30.1.14 & 30.1.21	43,169	43,169
Others	15.2, 15.3, 15.4, 15.5 & 15.6	44,703	1,637
		961,506	1,992,042

15.1 These includes balances receivable in foreign currency of US$ 0.429 million (2023: US$ 0.569 million).

15.2 These include Rs.23.192 million (2023: Rs.Nil) receivable from a related party Messrs. Novatex Limited on account of common sharing expenses and balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.175.340 million (2023 Rs.16.718 million).

15.3 These include Rs.2.459 million (2023: Rs.Nil) receivable from a related party Messrs. Krystalite Product (Private) Limited on account of reimbursement of expenses and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.2.784 million (2023: Rs.Nil).

15.4 These include Rs.Nil (2023: Rs.1.126 million) receivable from a related party Messrs. Gani & Tayub (Private) Limited and this balance is not past due as at year end. The maximum aggregate amount due at any month end during the year was Rs.1.126 million (2023: Rs.1.126 million).

15.5 These include Rs.0.050 million (2023: Rs.Nil) 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.0.050 million (2023: Rs.Nil).

15.6 These include Rs.10.886 million (2023: Rs.Nil) receivable from Custom Authority against excess custom duty paid during the year.

	2024	2023
16 SHORT TERM INVESTMENTS		
Term deposit receipt	296,297	-

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

	Note	2024	2023
		(Rupees in Thousand)	

17 CASH AND BANK BALANCES

	Note	2024	2023
Cash in hand		**3,861**	2,387
Cash at banks			
In current accounts : Local currency		**130,888**	250,343
In saving accounts : Local currency	17.1	**1,574**	1,535
In current accounts : Foreign currency	17.2	**204,337**	129,819
	17.3	**336,799**	381,697
		340,660	384,084

17.1 These include security deposits received from contractors Rs.1.535 million (2023 Rs.1.535 million) refer note 24.10. These carries profit ranging from 6.60% to 20.67%.

17.2 These represent balances of US$ 733,557.41 and Euro € 629.98 (2023: US$ 452,273.29 and Euro € 629.98).

17.3 Balance in bank accounts includes an amount of Rs.169.935 million (2023: Rs.164.752 million) kept with Shariah compliant banks.

18 SHARE CAPITAL

18.1 Authorised capital

(Number of Shares) 2024	2023		2024	2023
130,000,000	95,000,000	Ordinary shares of Rs.10 each	**1,300,000**	950,000

18.2 Issued, subscribed and paid up capital

(Number of Shares) 2024	2023		2024	2023
62,136,080	30,136,080	Ordinary shares of Rs.10 each allotted for consideration paid in cash	**621,361**	301,361
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	76,728,960		**1,087,290**	767,290

18.2.1 These include 3,240,774 (2023: 3,240,774) shares held by a related party, Messrs. Gani & Tayub (Private) Limited and 31,895,139 (2023: Nil) shares held by an associated company Messrs. Nova Frontiers Limited.

18.3 Movement in number of shares

	2024	2023
	(Number of shares)	
Opening balance	**76,728,960**	38,364,480
Bonus shares issued during the year	**-**	38,364,480
Right shares issued during the year	**32,000,000**	-
Closing balance	**108,728,960**	76,728,960

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

		Note	2024	2023
			(Rupees in Thousand)	
19	**CAPITAL RESERVES**			
	Share premium	19.1	5,656,603	383,645
	Capital expenditure and BMR	19.2	6,000,000	6,000,000
			11,656,603	6,383,645

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

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

		Note	2024	2023
20	**GENERAL RESERVE**		285,000	285,000

This represents reserve created from accumulation of past years' consolidated profit, to meet future exigencies.

21 LONG TERM FINANCING - Secured

from banking companies Under Shariah compliant

	Note	2024	2023
Meezan Bank Limited	21.1	1,876,836	2,184,985
Dubai Islamic Bank Pakistan Limited	21.2	54,815	67,250
United Bank Limited	21.3	1,353,117	1,396,382
Bank Al-Falah Limited	21.4	894,258	905,805
Meezan Bank Limited	21.5	1,348,376	1,554,482
Habib Metropolitan Bank Limited	21.6	80,006	76,165
Faysal Bank Limited	21.7	178,018	198,039
Faysal Bank Limited	21.8	1,123,815	1,142,508
Habib Bank Limited	21.9	2,116,194	1,279,978
Bank Al-Habib Limited	21.10	120,031	106,279
First Habib Modaraba	21.11	430,470	-
Soneri Bank Limited	21.12	27,280	-
Bank Al-Habib Limited	21.13	100,000	-
		9,703,216	8,911,873
Current maturity shown under current liabilities		(1,196,089)	(732,545)
		8,507,127	8,179,328

21.1 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.2,500 million out of which Rs.2,465.193 million (2023: 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 May 2029 to May 2031 on their respective maturities. The applicable rate of return is relevant SBP rate+2% bank profit. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

	(Rupees in Thousand)	
	2024	**2023**
Balance as at start of the year	**2,184,985**	2,386,464
Repayments during the year	**(308,149)**	(201,479)
Balance as at end of the year	**1,876,836**	2,184,985

21.2 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.120 million out of which Rs.88.204 million (2023: 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 March 2030 to October 2031 on their respective maturities. The applicable rate of return is relevant SBP rate+1.50% bank profit. IFRE facility is secured against the hypothecation charge over specific plant and machinery (solar equipments).

Balance as at start of the year	**67,250**	75,576
Repayments during the year	**(12,435)**	(8,326)
Balance as at end of the year	**54,815**	67,250

21.3 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.2,200 million out of which Rs.2,200 million (2023: Rs.2,200 million) having present value of Rs.1,353.117 million (2023: Rs.1,396.382 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. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**1,396,382**	460,451
Loan obtained	**-**	1,711,522
Fair value differential of long term finance transferred to government scheme	**-**	(858,470)
Amortization of government scheme	**115,838**	82,879
Repayments during the year	**(159,103)**	-
	1,353,117	1,396,382

21.4 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.1,000 million out of which Rs.1,000 million (2023: Rs.1,000 million) having present value of Rs.894.258 million (2023: Rs.905.805 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. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**905,805**	831,661
Loan obtained	**-**	119,397
Fair value differential of long term finance transferred to government scheme	**-**	(58,523)
Repayments during the year	**15,609**	13,270
Amortization of government scheme	**(27,156)**	-
	894,258	905,805

21.5 This represents Diminishing Musharakah amounting to Rs.1,900 million out of which Rs.1,554.482 million (2023: 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 14 equal half yearly installments, commencing after a grace period of one years and expiring during August 2029 to August 2030 on their respective maturities. The applicable rate of profit is 6 months KIBOR+0.10%. The outstanding principal sum and accrued profit thereon are secured by way of specific/exclusive hypothecation charge over plant and machinery.

	(Rupees in Thousand)	
	2024	**2023**
Balance as at start of the year	**1,554,482**	1,486,069
Obtained during the year	**-**	68,413
Repayments during the year	**(206,106)**	-
Balance as at end of the year	**1,348,376**	1,554,482

21.6 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.120 million out of which Rs.119.904 million (2023: Rs.119.904 million) having present value of Rs.80.006 million (2023: Rs.76.165 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. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**76,165**	33,913
Loan obtained	**-**	84,272
Fair value differential of long term finance transferred to government scheme	**-**	(46,163)
Amortization of government scheme	**6,068**	4,143
Repayments during the year	**(2,227)**	-
	80,006	76,165

21.7 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.280 million out of which Rs.217.113 million (2023: 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. IFRE facility is secured against the specific hypothecation charge over plant and machinery (solar equipment).

Balance as at start of the year	**198,039**	179,212
Obtained during the year	**-**	37,901
Repayments during the year	**(20,021)**	(19,074)
Balance as at end of the year	**178,018**	198,039

21.8 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.1,200 million out of which Rs.1,142.508 million (2023: 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 September 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 6 months KIBOR+0.10% on those disbursements. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

	2024	2023
	(Rupees in Thousand)	
Balance as at start of the year	**1,142,508**	475,029
Obtained during the year	**-**	667,479
Repayments during the year	**(18,693)**	-
Balance as at end of the year	**1,123,815**	1,142,508

21.9 This represents Diminishing Musharakah - Islamic Long Term Financing Facility (ILTFF) amounting to Rs.3,000 million out of which Rs.2,116.194 million (2023: Rs.1,279.978 million) obtained by the Parent Company during June 2022 to June 2024 for purchase of plant and machinery. Principal is repayable alongwith profit in 16 equal half yearly installments, commencing after a grace period of two years and expiring during June 2032 to June 2033 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.2,090.757 million under ILTFF Scheme, therefore bank is charging profit at 3 months KIBOR+0.50% on those disbursements. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**1,279,978**	45,157
Obtained during the year	**836,216**	1,234,821
Balance as at end of the year	**2,116,194**	1,279,978

21.10 This represents Diminishing Musharakah - Islamic Temporary Economic Refinance Facility (ITERF) amounting to Rs.200 million out of which Rs.200 million (2023: Rs.200 million) having present value of Rs.120.031 million (2023: Rs.106.279 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. The outstanding principal sum and accrued profit thereon are secured by way of exclusive hypothecation charge over specific plant and machinery.

Balance as at start of the year	**106,279**	-
Loan obtained	**-**	200,000
Fair value differential of long term finance transferred to government scheme	**-**	(103,829)
Amortization of government scheme	**13,752**	10,108
	120,031	106,279

21.11 This represents Diminishing Musharakah amounting to Rs.508 million out of which Rs.457.200 million (2023: Rs.Nil) 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%. The outstanding principal sum and accrued profit thereon are secured by way of specific/exclusive hypothecation charge over plant and machinery.

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

21.12 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.38 million out of which Rs.27.280 million (2023: Rs.Nil) obtained by the Parent Company during 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 during August 2034 on their respective maturities. The applicable rate of return is relevant SBP rate+4% bank profit. IFRE facility is secured against the specific hypothecation charge over plant and machinery (solar equipments).

	(Rupees in Thousand)	
	2024	**2023**
Loan obtained	**27,280**	-
Balance as at end of the year	**27,280**	-

21.13 This represents Diminishing Musharakah - Islamic Finance Facility for Renewable Energy (IFRE) amounting to Rs.100 million out of which Rs.100 million (2023: Rs.Nil) 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 during August 2034 to September 2034 on their respective maturities. The applicable rate of return is relevant SBP rate+4% bank profit. IFRE facility is secured against the specific hypothecation charge over plant and machinery (solar equipment).

Loan obtained	**100,000**	-
Balance as at end of the year	**100,000**	-

22 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Additions during the year	**132,545**	-
Accretion of interest	**22,495**	-
Payment of lease liabilities	**(32,271)**	-
	122,769	-
Current maturity shown under current liabilities	**(15,020)**	-
Balance as at end of the year	**107,749**	-

	2024		2023	
	Minimum Lease Payments	**Present Value of Lease Payments**	Minimum Lease Payments	Present Value of Lease Payments
Lease liabilities are payable as follows:				
Within one year	**38,263**	**15,020**	-	-
Later than one year and not later than five years	**143,366**	**107,749**	-	-
Total minimum lease payments	**181,629**	**122,769**	-	-
Less: Financial charges allocated to future periods	**(58,860)**	**-**	-	-
Present value of minimum lease payments	**122,769**	**122,769**	-	-
Less: Current portion of lease liabilities	**(15,020)**	**(15,020)**	-	-
	107,749	**107,749**	-	-

	Note	(Rupees in Thousand) 2024	2023

23 DEFERRED LIABILITIES AND INCOME

	Note	2024	2023
Deferred Liabilities			
Income tax - net	23.1	-	219,047
Defined benefit plan	23.2	626,931	570,947
Provision for Gas Infrastructure Development Cess (GIDC)	23.3	-	13,805
Deferred income			
Deferred Income - Government scheme	23.4	716,751	884,232
		1,343,682	1,688,031

23.1 This comprises of the following major timing differences:

	2024	2023
Taxable temporary difference arising due to:		
tax depreciation allowances	1,077,973	281,026
right of use asset	35,603	-
Deductible temporary difference arising due to:		
Impairment allowance for ECL	(49,538)	(34,272)
Impairment allowance for slow moving stores, spare parts and loose tools	(33,663)	(27,707)
Tax losses adjustable against future tax liability	(1,030,375)	-
	-	219,047

23.1.1 Movement in deferred tax

	Note	2024	2023
Balance as at start of the year		219,047	211,746
(Reversal)/charged for the year	40	(219,047)	7,301
Balance as at end of the year		-	219,047

At the reporting date, deferred tax asset amounting to Rs.743.283 million (2023: Rs.718.038 million) has not been recognized considering remote chances of reversal.

23.2 Actuarial valuation of the plan was carried out as at June 30, 2024. The calculation for provision of defined benefit plan is as under:

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

	Note	2024	2023
Balance as at start of the year		570,947	504,365
Expense for the year	23.2.1	131,243	90,243
Remeasurement loss		(38,473)	2,159
Payments		(36,786)	(25,820)
Balance as at end of the year		626,931	570,947

23.2.1 Expense for the year

	2024	2023
Current service cost	44,216	23,896
Interest cost	87,027	66,347
	131,243	90,243

	Note	2024	2023
		(Rupees in Thousand)	
Allocation are as follows:			
Cost of Sales	32.1	58,601	47,343
Distribution and selling costs	33.1	3,399	2,610
Administrative expenses	34.1	69,243	40,290
		131,243	90,243

The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate	14.00%	15.75%
Future salary increase rate	14.00%	15.75%
Withdrawal Rate	Moderate	Moderate
Mortality	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005

Sensitivity Analysis

	2024 PVDBO (Rupees in Thousand)	2024 Percentage Change	2023 PVDBO (Rupees in Thousand)	2023 Percentage Change
Current Liability	626,931	-	570,947	-
+ 1% Discount Rate	598,781	(4.49%)	545,314	(4.49%)
- 1% Discount Rate	659,594	5.21%	600,685	5.21%
+ 1% Salary Increase Rate	662,378	5.65%	603,222	5.65%
- 1% Salary Increase Rate	595,992	(4.94%)	542,773	(4.93%)
+ 10% Withdrawal Rates	625,644	(0.21%)	569,775	(0.21%)
- 10% Withdrawal Rates	628,274	0.21%	572,170	0.21%
1 Year Mortality age set back	626,950	0.00%	570,964	0.00%
1 Year Mortality age set forward	626,913	(0.00%)	570,930	(0.00%)

	2024	2023
	(Rupees in Thousand)	
	Undiscounted payments	
Maturity profile		
Year 1	202,911	161,759
Year 2	25,879	26,496
Year 3	14,925	81,401
Year 4	38,077	71,816
Year 5	32,158	61,521
Year 6 to 10	128,805	440,606
Year 11 and above	464,973	1,587,094

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

	Note	2024 (Rupees in Thousand)	2023 (Rupees in Thousand)
Balance at start of the year		**791,976**	714,121
Remeasurement gain on discounting of provision for GIDC	36	**(118,813)**	(72,382)
Un-winding of long term provision for GIDC	37	**141,495**	150,237
		814,658	791,976
Current portion of Gas Infrastructure Development Cess	28	**(814,658)**	(778,171)
		-	13,805

The 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 Supreme Court of Pakistan, the Group has filed a Civil Suit 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 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	2024	2023
Opening balance		**1,035,274**	78,689
Fair value differential of long term finance transferred		**-**	1,066,985
Amortization of government scheme		**(151,267)**	(110,400)
		884,007	1,035,274
Current portion of government scheme	28	**(167,256)**	(151,042)
		716,751	884,232

		Note	2024	2023
			(Rupees in Thousand)	
24	**TRADE AND OTHER PAYABLES**			
	Trade creditors	24.1 & 24.2	1,505,860	2,494,404
	Bills payable	24.3	1,922,650	4,673,909
	Accrued expenses	24.4, 24.5 & 24.6	445,474	711,749
	Advance payments from customers - unsecured	24.7, 24.8 & 24.9	840,360	547,698
	Security deposits from contractors	24.10	1,535	1,535
	Workers' Profit Participation Fund	24.11	-	-
	Workers' Welfare Fund	24.12	96	22,977
	Provisions	24.13	1,511,797	1,318,532
	Withholding taxes		19,128	37,134
	Payable to Provident Fund Trusts		1,103	1,029
	Other liabilities	24.14	110,760	98,320
			6,358,763	9,907,287

24.1 These include Rs.201.915 million (2023: Rs.566.571 million) payable to a related party Messrs. Novatex Limited.

24.2 These include Rs.0.209 million (2023: Rs.Nil) payable to a related party Messrs. G&T Tyres (Private) Limited.

24.3 These include balances payable in foreign currency of US$ 6.735 million and Euro:0.150 million (2023: US$ 13.076 million).

24.4 These include Rs.Nil (2023: Rs.429.434 million) payable to a related party Messrs. Novatex Limited on account of obtaining of services and cost sharing expenses.

24.5 These include Rs.1.300 million (2023: Rs.Nil) payable to a related party Messrs. Gani & Tayub (Private) Limited.

24.6 These include Rs.0.034 million (2023: Rs.Nil) payable to a related party Messrs. Nova Mobility (Private) Limited.

24.7 These include Rs.Nil (2023: Rs.7.806 million) received from a related party Messrs. Krystalite Products (Private) Limited.

24.8 These include Rs.85.556 million (2023: Rs.Nil) received from a related party Messrs. Novatex Limited.

24.9 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.

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

		Note	2024	2023
			(Rupees in Thousand)	
24.11	**Workers' Profit Participation Fund**			
	Balance as at start of the year		-	111,248
	Interest on funds utilized in the Company's business	37	-	458
	Payments		-	(111,706)
	Balance as at end of the year		-	-
24.12	**Workers' Welfare Fund**			
	Balance as at start of the year		22,977	22,977
	Provision		96	-
	Reversal of provision - prior year		(16,301)	-
		35	(16,205)	-
	Adjustment through income tax		(6,676)	-
	refund/withholding	29	96	22,977
	Balance as at end of the year			
24.13	Provisions for:			
	Enhanced gas rate	24.13.1 & 24.13.2	447,171	447,171
	Sindh Sales Tax on rent	24.13.3	-	7,887
	Infrastructure Cess on imports	24.13.4	716,117	514,965
	Sales tax	24.13.5	341,723	341,723
	Others	24.13.6	6,786	6,786
			1,511,797	1,318,532

24.13.1 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 Sindh High Court challenging the increase in rate. The Honorable Sindh High Court had initially granted interim relief, whereby recovery of enhanced rate was restrained. In May 2016, the Honorable Single Bench of Sindh High Court decided the case in favor of the Petitioners. However, in June 2016, Defendants filed appeal before the Double Bench of Sindh High Court which was also decided in favor of the Petitioners. Messrs. Sui Southern Gas Company Limited (SSGCL) then have filed appeal and pending before the Honorable Supreme Court of Pakistan. Meanwhile, OGRA had issued another notification dated December 30, 2016 overriding the previous notification and SSGCL billed @ Rs.600 per MMBTU. However, on January 19, 2017, the Group alongwith others filed a suit in the Sindh High Court against OGRA, SSGCL and others. The Honorable Sindh High Court granted interim relief and instructed SSGCL to revise bills at previous rate against securing the differential amount with the Nazir of the Court. Accordingly, the Group has provided bankers' verified cheque to Nazir of High Court amounting to Rs.316.797 million (2023: Rs.316.797 million). As an abundant precaution, the Group has made total provision of Rs.159.264 million (2023: 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.

24.13.2 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 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 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 24.13.1). As an abundant precaution, the Group has made provision of Rs.287.907 million (2023: 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 Honorable Single Bench of Sindh High Court has decided the case in favor of Petitioners. SSGCL has filed appeal before the Double Bench of Sindh High Court against the decision and is pending for adjudication.

24.13.3 This represents provision of Sindh Sales Tax on rent payable by the Parent Company to a related party Messrs. Novatex Limited. The related party had filed a suit in the Sindh High Court against Sindh Revenue Board [SRB] and Province of Sindh etc. On August 28, 2018, the Honorable Sindh High Court decided the case in favor of the related party. However, SRB filed an appeal before Supreme Court of Pakistan against the decision of Sindh High Court. The Honorable Supreme Court of Pakistan has maintained the decision of Sindh High Court, Hence liability has been reversed in these consolidated financial statements.

	(Rupees in Thousand)	
	2024	**2023**
24.13.4 Movement is as under:		
Balance as at start of the year	**514,965**	347,603
Provision made during the year	**201,152**	167,362
Balance as at end of the year	**716,117**	514,965

The Parent Company had filed a petition in the 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 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 in Supreme Court of Pakistan against the judgment. The Honorable Supreme Court of Pakistan, vide interim order dated September 01, 2021, has suspended the operation of the impugned judgement of the Sindh High Court and has further directed the Custom Authorities to release consignments on the basis of bank guarantee equivalent to the amount of levy claimed by the Excise and Taxation Department. Till reporting date, the Parent Company has provided bank guarantee amounting to Rs.778.365

million (2023: Rs.578.365 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 Subsidiary Company Messrs. Gatro Power (Private) Limited has filed a petition in the 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 in 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 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 (2023: Rs.27.500 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 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 in Supreme Court of Pakistan against the judgment. The Honorable Supreme Court of Pakistan, vide interim order dated September 01, 2021, has suspended the operation of the impugned judgement of the Sindh High Court and has further directed the Custom Authorities to release consignments on the basis of bank guarantee equivalent to the amount of levy claimed by the Excise and Taxation Department. Till reporting date, the Subsidiary Company has provided bank guarantee amounting to Rs.2.500 million (2023: Rs.2.500 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.

24.13.5 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 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 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.

24.13.6 This represents provision of Gas Infrastructure Development Cess amounting to Rs.4.131 million (2023: Rs.4.131 million) and rate difference of gas tariff Rs.2.655 million (2023: Rs.2.655 million) on account of common expenses payable by the Parent Company to a related party Messrs. Novatex Limited.

24.14 These include Rs.65.365 million (2023: Rs.74.097 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.

26 ACCRUED MARK UP/PROFIT

	Note	2024 (Rupees in Thousand)	2023 (Rupees in Thousand)
Profit on long term financing		**526,623**	653,001
Mark up/profit on short term borrowings		**16,389**	229,395
	26.1	**543,012**	882,396

26.1 This includes accrued profit of Rs.542.943 million (2023: Rs.786.124 million) under Shariah compliant arrangements.

27 SHORT TERM BORROWINGS - Secured

From banking companies under mark up/profit arrangements

	2024	2023
Running finance - Under Conventional	**77,733**	2,258,660
- Under Shariah compliant	**3,337,005**	5,415,755
	3,414,738	7,674,415
Short term finance - Under Conventional	**-**	650,000
- Under Shariah compliant	**14,825**	-
	14,825	650,000
Export re-finance - Under Shariah compliant	**150,000**	150,000
	3,579,563	8,474,415

27.1 The Parent Company has aggregate facilities of short term borrowings amounting to Rs.13,080 million (2023: Rs.10,580 million) from various commercial banks (as listed in Note 27.3) out of which Rs.9,470 million (2023: Rs.2,106 million) remained unutilized at the year end. The Parent Company also has Rs.Nil (2023: Rs.150 million) swinging facility with a related party Messrs. Novatex Limited, out of which Rs.Nil (2023: Rs.Nil) has been utilized by the Parent Company at the year end. The mark up/profit rates during the year for running finance and Musharakah ranges between 21.86% to 23.43%, for short term finance 17% to 22.98% and for export refinance 16.40% to 19.00% per annum. These facilities are renewable annually at respective maturities.

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

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

	Note	2024	2023
		(Rupees in Thousand)	
28 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Gas Infrastructure Development Cess	23.3	814,658	778,171
Government scheme	23.4	167,256	151,042
		981,914	929,213

	Note	2024	2023
29 PROVISION FOR INCOME TAX LESS PAYMENTS			
Balance as at start of the year		251,307	269,998
Provision - Current		425,807	338,675
- Prior		(94,553)	-
		331,254	338,675
		582,561	608,673
Payments		(388,907)	(357,366)
Adjustment of Workers' Welfare Fund	24.12	6,676	-
		(382,231)	(357,366)
Balance as at end of the year		200,330	251,307

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 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 i.e. 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 adjudication.

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 Sindh High Court against OGRA and others challenging the validity and promulgation of GIDC Act 2015. The Honorable Single Bench of Sindh High Court had decided the case in favor of Petitioners. However, in May 2020, Defendants have filed appeal before the Double Bench of Sindh High Court. On August 13, 2020, the Honorable Supreme Court of Pakistan finally in the appeals filed by industries of Khyber Pakhtunkhwa, passed a judgment in favor of Government declaring the GIDC Act 2015 intra vires and directed all the Petitioners/Appellants (including industries of all over Pakistan) for payment of Cess liability accrued till July 31, 2020 in 24 equal monthly installments. The 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 Supreme Court of Pakistan, the Group has filed a Civil Suit before the 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 of 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 Supreme Court of Pakistan against the judgment. No provision of the amount involved i.e. Rs.42.340 million (2023: Rs.34.713 million) has been made in these consolidated financial statements.

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 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 not yet been concluded. Based on the merits of the case, the management is confident that the case will be decided in favor of the Parent Company. No provision has been made in these consolidated financial statements.

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 not yet been concluded. Based on the merits of the case, the management is confident that the case will be decided in favor of the Parent Company. No provision has been made in these consolidated financial statements.

30.1.11 The Parent Company had filed a petition no. CP No.D-5468 dated August 26, 2019 in Sindh High Court against 3% Minimum Value Addition Tax on import of machinery, which has been levied through Finance Act, 2019. Stay has been granted by the Honorable Sindh High Court against submission of bank guarantee in favor of Nazir of the Court. Till reporting date, the Company has provided 100% bank guarantee amounting to Rs.15.351 million (2023: 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 Through Finance Act, 2019, the Government has reduced tax credit available on new investment to 5% from 10% with retrospective effect. Consequently, disallowing tax credit of Rs.42 million for tax year 2019. The Parent Company has challenged the provision of Finance Act, 2019 before the Sindh High Court and the Court has decided the matter in favour of the Parent Company to claim 10% tax credit on investment in plant & machinery on the basis of pre-amended position of section 65B. However, Tax department has challenged the judgement of Sindh High Court in Supreme Court of Pakistan through petition no. CPLA 606-K/2023 dated April 30, 2023, which is decided in favour of the Parent Company to the extent of that the machinery purchased and installed both by June 30, 2019. In view of the decision of Supreme Court of Pakistan, the Parent Company has reversed the liability in these consolidated financial statements.

30.1.13 The Parent Company had filed a petition no. CP D-573 dated January 26, 2019 before the 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.

30.1.14 The Parent Company had filed a petition before the Sindh High Court wherein the Parent Company had challenged the notice requiring to pay Super Tax for tax year 2018 amounting to Rs.28.187 million and 2019 Rs.31.444 million respectively. The Honorable Sindh High Court has decided the matter against the Parent Company. The Parent Company has filed petition before the Supreme Court of Pakistan against the judgement of the Sindh High Court, hearing of which is pending at the moment. The Parent Company also filed appeals before the CIR(A) against the order passed by DCIR under section 4B of the Income Tax Ordinance, 2001 which has been concluded in favor of the Tax Department. The Parent Company has filed appeals before the ATIR dated September 07, 2021 against the orders passed by the CIR(A). The Parent Company has also paid 50% of demand for auto stay from recovery (refer note 15). The management is confident that the case will ultimately be decided in favor of the Parent Company. However, as an abundant precaution, the Parent Company has not reversed the liability in these consolidated financial statements.

30.1.15 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.

30.1.16 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 Sindh High Court 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 Sindh High Court in Supreme Court of Pakistan through petition no. CPLA 649-K/2023 and CPLA 665-K/2023 for TY 2020 & TY 2021 respectively, which is decided in favour of the 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. In view of the decision of Supreme Court of Pakistan, the Parent Company has not reversed the liability in these consolidated financial statements.

30.1.17 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

30.1.18 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, 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.

30.1.19 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.

30.1.20 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 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.

30.1.21 The Parent Company has filed a petition no. CP No.D-8011/2022 dated December 23, 2022 before the Sindh High Court against the levy of Super Tax under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022. The Honorable Sindh High Court held that the Super Tax is not applicable for the tax year 2022. However, the Tax Department has filed petition before the Supreme Court of Pakistan and has issued interim order whereby the Honorable Supreme Court has directed to pay Super Tax to the extent of 4%. Therefore, the Parent Company has paid the Super Tax of Rs. 13.353 million on the direction of the Honorable Supreme Court and in the compliance of the tax department notice as well (refer note 15). The management is confident that the case will be decided in favor of the Parent Company. However, as an abundant precaution, the Parent Company has not reversed the liability in these consolidated financial statements.

30.1.22 The Parent Company has filed the petition no. CP D-7001/2022 dated November 12, 2022 in Sindh High Court against conducting Sales Tax Audit for the tax year 2019. The Honorable Sindh High Court has granted interim relief till the decision of the case. The management is confident that the case will be decided in favor of the Parent Company.

30.1.23 The Parent Company has filed the petition no. CP D-7732/2022 dated December 15, 2022 before Sindh High Court against conducting post refund Sales Tax Audit pertaining to the tax year 2016, on the ground of time barred proceeding. The Honorable Sindh High Court has granted interim relief till the decision of the case. Amount is not determined as proceeding not yet initiated. The management is confident that the case will be decided in favor of the Parent Company.

30.1.24 Tax Department has raised demand of Rs.0.240 million on the basis of not charging sales tax on sale of fixed assets for the tax periods from July 2018 to June 2019. However, the Parent Company has duly charged and deposited the sales tax on disposal of fixed assets. The Parent Company has filed an appeal before CIR(A) which has been decided in favour of the Parent Company.

30.1.25 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 in favor of the Parent Company vide order dated November 15, 2023.

30.1.26 The Tax Department disallowed expenses of Rs.74 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2022. However, no income tax demand was raised owing to tax refundable position both before and after amendment of assessment proceedings. The Parent Company has filed appeal before the CIRA. Based on the merits of the case, the management is confident that the case will be decided in favor of the Parent Company.

30.1.27 Tax Department has raised demand of Rs.4.684 million on the basis of not charging sales tax on building material for the tax periods from July 2019 to June 2020. CIR(A) has decided the case in favour of Tax Department. The Parent Company has filed an appeal before ATIR against the said order.

30.1.28 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. An appeal was 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.

30.1.29 Tax Department initiated monitoring of withholding proceedings for tax year 2011 wherein demand of Rs.47.408 million including default surcharge and penalty was raised on account of intercorporate dividend paid to Parent Company. The Subsidiary Company Messrs. Gatro Power (Private) Limited had filed an appeal before CIR(A) against order of the Tax Department which was decided in favor of the Subsidiary Company on ground of the order being time barred whereas on other grounds the appeal was dismissed. Accordingly, both the Subsidiary Company as well as the Tax Department have filed an appeal before the ATIR, which is pending. Based on the merits of the case and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Subsidiary Company. No provision has been made in these consolidated financial statements.

30.1.30 Tax Department raised demand of Rs.14.101 million and Rs.103.346 million on the basis of order passed for monitoring of tax withholding for tax years 2014 and 2015 respectively. Appeal was filed before the CIR(A), which was decided in favor of the Subsidiary Company Messrs. Gatro Power (Private) Limited. However, Tax Department has filed appeals before ATIR, hearing of which is pending. Based on the merits of the case and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Subsidiary Company. No provision has been made in these consolidated financial statements.

30.1.31 Tax Department has raised demand of Rs.1.8 million on the basis of sales tax audit for the tax periods from July 2017 to June 2018. The Subsidiary Company Messrs. Gatro Power (Private) Limited has filed an appeal before the CIR(A). CIR(A) has decided the case in favour of Subsidiary Company. The Tax Department has filed appeal before ATIR against CIR(A) order, which is pending for hearing. No provision has been made in these consolidated financial statements.

30.1.32 The Subsidiary Company Messrs. Gatro Power (Private) Limited has filed the case in Sindh High Court against conducting Sales Tax Audit for the tax year 2019. The Honorable Sindh High Court has granted interim relief till the decision of the case. Amount is not determined as proceeding not yet initiated. The management is confident that the case will be decided in favor of the Subsidiary Company.

	Note	2024	2023
		(Rupees in Thousand)	
30.2 Guarantees			
Bank Guarantees in favour of:			
The Director Excise & Taxation, Karachi	24.13.4	813,365	608,365
The Electric Inspector, President Licencing Board, Quetta		10	10
Pakistan State Oil Company Limited		70,000	70,000
K-Electric Limited		18,496	18,496
Nazir of the High Court of Sindh, Karachi	30.1.11	15,351	15,351
Letters of Credit in favour of:			
Sui Southern Gas Company Limited for Gas		470,300	257,592
		1,387,522	969,814

30.3 Commitments

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

	2024	2023
Foreign currency:		
Property, plant and equipment	576,401	789,298
Raw and packing material	838,897	5,578,080
Spare parts and others	161,027	583,842
	1,576,325	6,951,220
Local currency:		
Property, plant and equipment	53,509	164,170
Raw material	1,426,605	349,999
Spare parts and others	11,156	11,972
	1,491,270	526,141
	3,067,595	7,477,361

30.3.1 The Parent Company has made an agreement for purchase of land amounting to Rs.133.150 million (2023: Rs.122.764 million), out of which Rs.17.225 million (2023: Rs.14.800 million) paid as advance (refer note 12).

31 SALES

	Note	2024 (Rupees in Thousand)	2023 (Rupees in Thousand)
Gross local sales		36,719,513	30,873,115
Third party processing charges		2,196,818	108,765
		38,916,331	30,981,880
Less: Sales tax		5,718,233	4,607,606
		33,198,098	26,374,274
Export sales		815,483	1,009,506
		34,013,581	27,383,780

32 COST OF SALES

	Note	2024	2023
Raw and packing material consumed		22,603,658	18,395,948
Stores, spare parts and loose tools consumed		587,114	839,284
Outsource processing charges		174,745	674,311
Salaries, wages, allowances and benefits	32.1	2,204,898	2,089,102
Power, fuel and gas		5,137,671	2,985,442
Rent, rates and taxes		35,554	45,025
Insurance		244,278	136,081
Cartage & transportation		326,766	249,653
Repairs and maintenance		224,216	302,081
Communications & Computer		8,822	1,775
Water supply		16,161	7,595
Travelling		16,275	5,144
Sundry		56,031	45,047
Depreciation	5.2	1,006,231	1,121,135
		32,642,420	26,897,623
Duty draw back		-	-
Scrap sales	32.2	(182,947)	(67,144)
		32,459,473	26,830,479
Opening stock of goods-in-process		429,650	1,108,306
Opening stock of unfinished goods held for sale		280,595	-
Closing stock of goods-in-process		(1,392,301)	(429,650)
Closing stock of unfinished goods held for sale		(32,744)	(280,595)
Cost of goods manufactured		31,744,673	27,228,540
Opening stock of finished goods		4,097,889	2,252,863
Closing stock of finished goods		(3,818,775)	(4,097,889)
		32,023,787	25,383,514

32.1 These include Rs.6.578 million (2023: Rs.5.684 million) and Rs.58.601 million (2023: Rs.47.343 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.35.392 million (2023: Rs.12.867 million).

	Note	(Rupees in Thousand)	
		2024	2023

33 DISTRIBUTION AND SELLING COSTS

	Note	2024	2023
Salaries, allowances and benefits	33.1	47,840	44,207
Insurance		5,992	3,527
Rent, rates and taxes		14,431	3,841
Handling, freight and transportation		200,317	315,638
Advertisement and sales promotion		599	-
Communications		918	924
Travelling		1,380	593
Legal and professional fee		182	925
Sundry		22,607	12,232
Depreciation	5.2	2,151	1,851
Depreciation right of use assets	5.6.1	5,579	-
		301,996	383,738

33.1 These include Rs.3.399 million (2023: Rs.2.610 million) representing expenditure on defined benefit plan.

34 ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries, allowances and benefits	34.1	380,332	343,903
Rent, rates and taxes		2,510	27,540
Insurance		11,772	7,915
Repairs and maintenance		40,318	34,522
Travelling		10,718	3,076
Communications		9,059	7,168
Legal & professional fees		19,789	8,677
Utilities		2,123	13,899
Printing and stationery		330	664
Transportation		25,377	9,223
Sundry		35,100	31,873
Depreciation	5.2	12,021	12,303
Depreciation right of use assets	5.6.1	18,141	-
Amortization of intangible assets	6	10,025	10,025
		577,615	510,788

34.1 These include Rs.0.018 million (2023: Rs.0.010 million) and Rs.69.243 million (2023: Rs.40.290 million) respectively, representing contribution to defined contribution plan by the Group and expenditure on defined benefit plan.

35 OTHER OPERATING EXPENSES

	Note	2024	2023
Impairment allowance for ECL - net	11.7	52,641	-
Impairment allowance for slow moving stores, spare parts and loose tools - net	9.1	28,755	21,346
Financial assets written off		102,808	-
Exchange loss - net		-	41,996
Corporate social responsibility	35.1	4,954	37,274
Auditors' remuneration	35.2	4,620	4,567
		193,778	105,183

35.1 This includes donations of Rs.3.954 million (2023: Rs.22.148 million) to a related party Messrs. Gatron Foundation in which Chief Executive and three directors of the Parent Company are governors and a donation of Rs.1 million (2023: Rs.Nil) to Messrs. Memon Health and Education Foundation. No Donations amounting to Rs 1,000,000 or 10% of total donation to single donee. None of the directors or their spouses has any interest in any other donee fund, so far as other donations are concerned.

	Note	2024	2023
		(Rupees in Thousand)	
35.2 Auditors' remuneration			
Audit fee - Annual financial statements			
Parent Company - Gatron (Industries) Limited		2,750	2,500
Subsidiary Company - Gatro Power (Private) Limited		800	700
Subsidiary Company - Global Synthetics Limited		25	25
Subsidiary Company - G-Pac Energy (Private) Limited		22	22
Limited review, audit of annual consolidated financial statements and certification fee		470	390
Sindh Sales Tax on services		326	291
Out of pocket expenses		227	639
		4,620	4,567

36 OTHER INCOME

	Note	2024	2023
Income from financial assets			
Reversal of impairment allowance for ECL - net	11.7	-	3,501
Profit on deposits		124,969	209
		124,969	3,710
Income from non - financial assets & others			
Gain on disposal of property, plant and equipment	5.3.1	22,774	5,040
Liabilities no more payable written back		30,965	3
Amortization of Government Scheme		12,559	10,454
Exchange gain - net		42,828	-
Remeasurement gain on discounting of provision for GIDC	23.3	118,813	72,382
Reversal of provision for Workers' Welfare Fund	24.12	16,205	-
Insurance claim		-	213,707
Miscellaneous income		359	310
		244,503	301,896
		369,472	305,606

37 FINANCE COSTS

	Note	2024	2023
Profit on long term financing		209,266	135,602
Interest on lease liability against right of use assets		22,495	-
Mark up/profit on short term borrowings		1,238,763	910,304
Un-winding of long term provision for GIDC	23.3	141,495	150,237
Interest on Workers' Profit Participation Fund	24.11	-	458
Bank charges and guarantee commission		10,237	13,054
	37.1	1,622,256	1,209,655

37.1 It includes finance costs under Shariah Complaint arrangement amounting to Rs.1,217.784 million (2023: Rs.644.237 million).

		Note	2024	2023
			(Rupees in Thousand)	
38	**INVESTMENT INCOME - DIVIDEND**			
	Dividend income from investment in mutual fund		**8,538**	-
39	**LEVIES**			
	Final Tax		**9,435**	8,997
	Minimum tax		**414,976**	329,678
		40.1	**424,411**	338,675

39.1 This represent final tax under section 5, 154 and 113 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

		Note	2024	2023
40	**INCOME TAX**			
	For the current year		**1,396**	-
	For the prior year		**(94,553)**	-
		29	**(93,157)**	-
	Deferred	**23.1.1**	**(219,047)**	7,301
		40.1	**(312,204)**	7,301

		2024	2023
40.1	**Relationship between levies and income tax and profit before income tax:**		
	Levies	**424,411**	338,675
	Income	**(312,204)**	7,301
	Total	**112,207**	345,976
	(Loss)/profit before income tax	**(327,841)**	96,508
	Income tax rate	**29%**	29%
	Income tax on profit before income tax	**(95,074)**	27,987
	Tax effect of:		
	minimum tax	**414,976**	329,678
	tax loss	**(199,148)**	210,967
	income assessed under final tax regime - export sales	**24,296**	1,340
	Income tax differential on dividend income taxed at lower rate.	**(1,195)**	-
	Reversal of prior year income tax	**(94,553)**	-
	income exempt from subsidiary company Messrs. Gatro Power (Private) Limited	**68,397**	(179,032)
	loss from subsidiary company Messrs. Global Synthetics Limited	**15**	7
	loss from subsidiary company Messrs. G-Pac Energy (Private) Limited	**10,657**	7,568
	others	**(16,164)**	(52,539)
	Levies and income tax	**112,207**	345,976

40.2 Sufficient provision for tax has been made in these consolidated financial statements taking into account the profit or loss for the period and various admissible and inadmissible allowances and deduction under the Income Tax Ordinance, 2001. Position of provision and tax deemed assessed for last three years are as follows:

	(Rupees in Thousand)		
	2023	2022	2021
Tax provision	338,675	521,150	246,185
Tax assessed	199,442	210,317	150,456

The difference between tax provision and tax assessed is mainly due to the fact that provision of for super tax has been made at the rate of 10% whereas no amount of super tax was paid along with the return in line with the then applicable interim stay issued by the Sindh High Court [SHC]. Later on the case was decided in favour of the Parent Company against which the tax department has filed appeal before the Supreme Court of Pakistan [SCP]. The SCP vide interim order has directed the Parent Company to pay super tax at the rate of 4% instead of 10%. Final judgment of the SCP has not yet been issued. Other differences represent change in the pattern of computation of income and tax thereon in line with the judgement of the SHC and Appellate Tribunal Inland Revenue reported as 2022 PTD 558 and 2022 PTD 599 respectively. Due to these differences, corresponding difference is also there in provision of WWF as per financial statements and the amount as per income tax return.

41 LOSS PER SHARE - BASIC AND DILUTED

	(Rupees in Thousand)	
	2024	2023
Loss for the year	**(440,048)**	(249,468)
	(Number of Shares)	
		Restated
Weighted average number of Ordinary Shares in issue during the year	**86,718,699**	78,781,913
	(Rupees)	
		Restated
Loss per share - Basic and diluted	**(5.07)**	(3.17)

41.1 Weighted average number of shares for the year ended 30 June 2023 have been restated due to issuance of right shares as stated in note 18 of these consolidated financial statements.

41.2 There is no dilutive effect on the basic earnings per share of the Group.

42 CASH AND CASH EQUIVALENTS

		(Rupees in Thousand)	
	Note	2024	2023
Cash and bank balances	17	**340,660**	384,084
Short term borrowings - Running finance	27	**(3,414,738)**	(7,674,415)
		(3,074,078)	(7,290,331)

	(Rupees in Thousand)	
	2024	**2023**

43 FINANCIAL INSTRUMENTS

	2024	2023
Financial assets as per statement of financial position		
- Measured at amortized cost		
Loans and advances	**27,260**	24,095
Deposits	**85,677**	402,624
Trade debts	**3,516,225**	3,975,789
Other receivables	**175,513**	355,925
Cash and bank balances	**340,660**	384,084
	4,145,335	5,142,517
Financial liabilities as per statement of financial position		
- Measured at amortized cost		
Long term financing	**9,703,216**	8,911,873
Lease liability against right of use assets	**122,769**	-
Trade and other payables	**3,922,017**	7,906,849
Unclaimed dividend	**8,219**	21,055
Unpaid dividend	**20,801**	20,801
Accrued mark up/profit	**543,012**	882,396
Short term borrowings	**3,579,563**	8,474,415
	17,899,597	26,217,389

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

43.1 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.

43.2 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.

43.2.1 Market Risk

A Foreign exchange risk

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

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

	(Rupees in Thousand)	
	2024	**2023**
Trade creditors	**122,322**	1,149,343
Bills Payable	**1,922,650**	3,747,552
	2,044,972	4,896,895
Trade Debts	**(38,146)**	(252,051)
Receivable from suppliers	**(119,265)**	(163,140)
Cash at bank in foreign currency accounts	**(204,337)**	(129,819)
	(361,748)	(545,010)
	1,683,224	4,351,885
Commitments - Outstanding letters of credit	**1,576,325**	6,951,220
Net exposure	**3,259,549**	11,303,105

The following significant exchange rates have been applied:

	Rupees			
	Average rate		Reporting date rate	
	2024	**2023**	**2024**	**2023**
USD to PKR	**282.90**	248.04	**278.30**	286.60
Euro to PKR	**305.97**	260.52	**297.98**	313.64
CHF to PKR	**-**	265.25	**-**	320.90

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

	(Rupees in Thousand)			
	Average rate		Reporting date rate	
	2024	2023	2024	2023
Effect on statement of profit or loss				
USD to PKR	**299,334**	927,121	**295,063**	1,071,255
Euro to PKR	**30,950**	47,753	**30,197**	57,489
CHF to PKR	**715**	1,296	**695**	1,567
	330,999	976,170	**325,955**	1,130,311

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

B Price risk

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

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

C Interest / Markup rate risk

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

	2024	2023	2024	2023
	Effective rate (in %)		Carrying amount (Rupees in Thousand)	
Financial Assets				
Variable rate instruments				
Bank balance	**6.60 - 20.67**	13.75 - 14.00	**1,574**	1,535
Financial Liabilities				
Variable rate instruments				
Long term financing	**18.54 - 24.53**	10.90 - 22.67	**(4,576,414)**	(3,515,834)
Short term borrowings	**16.40 - 23.43**	2.40 - 22.48	**(3,579,563)**	(8,474,415)
			(8,154,403)	(11,988,714)

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 2023.

	Statement of profit or loss before tax	
	100 bp increase	100 bp decrease
As at June 30, 2024		
Cash flow sensitivity - Variable rate	**(81,544)**	**81,544**
As at June 30, 2023		
Cash flow sensitivity - Variable rate	(119,887)	119,887

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

Fair value sensitivity analysis for fixed rate instruments

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

43.2.2 Credit risk

Credit risk represents the risk that one party to financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Parent Company manages credit risk interalia by setting credit limits in relation to individual customers and by obtaining advance against sales and also obtains collaterals, where considered necessary. Also the Parent Company does not have significant exposure in relation to individual customer. Consequently, the Group believes that it is not exposed to any major concentration of credit risk.

Exposure to credit risk

The carrying amount of the financial assets represent the maximum credit exposure before any credit enhancements. Out of total financial assets of Rs.4,145.335 million (2023: Rs.5,142.517 million), financial assets of Rs.4,141.474 million (2023: Rs.5,140.130 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)	
	2024	2023
Loans and advances	**27,260**	24,095
Deposits	**85,677**	402,624
Trade debts	**3,516,225**	3,975,789
Other receivables	**175,513**	355,925
	3,691,738	4,331,714
Bank balances	**336,799**	381,697
	4,141,474	5,140,130

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:

	(Rupees in Thousand)	
	2024	**2023**
Not past due	**1,000,834**	3,935,768
Past due 1-30 days	**947,476**	168,807
Past due 31-90 days	**1,013,221**	86,917
Past due 91-180 days	**513,934**	130,288
Past due 180 days	**387,093**	128,113
	3,862,558	4,449,893
Allowance for ECL - local	**(170,820)**	(118,179)
	3,691,738	4,331,714

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

Banks	**Rating Agency**	**Rating Short term**	**Rating Long term**	**(Rupees in Thousand) 2024**	**(Rupees in Thousand) 2023**
Bank Al-Falah Limited	PACRA	A-1+	AA+	**18,894**	81,459
Bank Al-Habib Limited	PACRA	A-1+	AAA	**8,138**	11,523
Citibank N.A.	Moody's	P-1	Aa3	**-**	-
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	**2,367**	2,054
Faysal Bank Limited	PACRA	A-1+	AA	**4,907**	6,789
Habib Bank Limited	VIS	A-1+	AAA	**1,698**	16,052
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	**169,896**	166,106
MCB Bank Limited	PACRA	A-1+	AAA	**31,170**	22,148
Meezan Bank Limited	VIS	A-1+	AAA	**34,642**	43,823
National Bank of Pakistan	PACRA	A-1+	AAA	**1,891**	7,476
Soneri Bank Limited	PACRA	A-1+	AA-	**2,523**	-
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA	**60,238**	21,994
The Bank of Punjab	PACRA	A-1+	AA+	**118**	86
United Bank Limited	VIS	A-1+	AAA	**317**	2,187
				336,799	381,697

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

43.2.3 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, 2024, the Parent Company has Rs.13,080 million available borrowing limit from financial institutions. The Parent Company has unutilized borrowing facilities of Rs.9,500 million in addition to balances at banks of Rs.337 million. Based on the above, management believes the liquidity risk to be insignificant. The following are the contractual maturities of financial liabilities, including interest/mark up payments.

	Carrying Amount	Contractual Cash Flow	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
			----- (Rupees in Thousand) -----				
2024							
Long term financing	**9,703,216**	**16,871,666**	**1,485,352**	**1,343,369**	**2,677,720**	**6,855,494**	**4,509,731**
Lease liability against right of use assets	**122,769**	**182,551**	**18,902**	**19,270**	**41,988**	**102,391**	**-**
Trade and other payables	**3,922,017**	**3,922,017**	**3,922,017**	**-**	**-**	**-**	**-**
Unclaimed dividend	**8,219**	**8,219**	**8,219**	**-**	**-**	**-**	**-**
Unpaid dividend	**20,801**	**20,801**	**20,801**				
Accrued mark up/profit	**543,012**	**543,012**	**543,012**	**-**	**-**	**-**	**-**
Short term borrowings	**3,579,563**	**3,782,929**	**3,782,929**	**-**	**-**	**-**	**-**
	17,899,597	**25,331,195**	**9,781,232**	**1,362,639**	**2,719,708**	**6,957,885**	**4,509,731**

	Carrying Amount	Contractual Cash Flow	Six months or less	Six to twelve months	One to two years	Two to five years	Above five years
2023							
Long term financing	8,911,873	15,509,267	1,263,080	860,085	1,960,730	6,053,270	5,372,102
Trade and other payables	7,906,849	7,906,849	7,906,849	-	-	-	-
Unclaimed dividend	21,055	21,055	21,055	-	-	-	-
Unpaid dividend	20,801	20,801	20,801	-	-	-	-
Accrued mark up/profit	882,396	882,396	882,396	-	-	-	-
Short term borrowings	8,474,415	8,475,972	8,475,972	-	-	-	-
	26,217,389	32,816,340	18,570,153	860,085	1,960,730	6,053,270	5,372,102

43.3 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, 2024 and June 30, 2023 were as follows:

	(Rupees in Thousand)	
	2024	**2023**
Total borrowings	**13,282,779**	17,386,288
Cash and bank balances	**(340,660)**	(384,084)
Net debt	**12,942,119**	17,002,204
Total equity	**14,807,116**	9,615,733
Total capital	**27,749,235**	26,617,937
Gearing ratio	**47%**	64%

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.

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

	2024				
	----- (Rupees in Thousand) -----				
	Long term loan	Short Term Borrowings	Dividend	Lease Liability	Total
Balance as at July 1, 2023	8,911,873	8,474,415	41,856	-	17,428,144
Changes from financing cash flows					
Repayment of long term loan	(780,620)	-	-	-	(780,620)
Proceeds from long term loan	1,420,696	-	-	-	1,420,696
Lease rentals paid	-	-	-	(32,271)	(32,271)
Accretion of interest				22,495	22,495
Addition / re-assessment / termination of leases	-	-	-	132,545	132,545
Dividend paid	-	-	(12,836)	-	(12,836)
Total changes from financing activities	640,076	-	(12,836)	122,769	750,009
Other changes	126,378	213,006	-	-	339,384
Interest expense	209,266	1,238,763	-	22,495	1,470,524
Interest paid	(335,644)	(1,451,769)	-	(22,495)	(1,809,908)
Deferred government grant recognized	151,267	-	-	-	151,267
Changes in short term borrowings	-	(4,894,852)	-	-	(4,894,852)
Total loan related other changes	151,267	(4,894,852)	-	-	(4,743,585)
Total equity related other changes	-	-	-	-	-
Balance as at June 30, 2024	9,703,216	3,579,563	29,020	122,769	13,434,568

	2023				
	----- (Rupees in Thousand) -----				
	Long term loan	Short Term Borrowings	Dividend	Lease Liability	Total
Balance as at July 1, 2022	5,973,532	4,891,866	21,381	-	10,886,779
Changes from financing cash flows					
Repayment of long term loan	(228,879)	-	-	-	(228,879)
Proceeds from long term loan	4,123,805	-	-	-	4,123,805
Dividend paid	-	-	(94,618)	-	(94,618)
Total changes from financing activities	3,894,926	-	(94,618)	-	3,800,308
Other changes	(515,561)	(161,584)	-	-	(677,145)
Interest expense	135,602	910,304	-	-	1,045,906
Interest paid	379,959	(748,720)	-	-	(368,761)
Fair value differential of long term finance transferred	(1,066,985)	-	-	-	(1,066,985)
Deferred government grant recognized	110,400	-	-	-	110,400
Changes in short term borrowings	-	3,582,549	-	-	3,582,549
Total loan related other changes	(956,585)	3,582,549	-	-	2,625,964
Total equity related other changes	-	-	115,093	-	115,093
Balance as at June 30, 2023	8,911,873	8,474,415	41,856	-	17,428,144

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

44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

(Rupees in Thousand)

Particulars	Chief Executive		Directors		Executives		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Managerial remuneration	14,148	13,226	9,036	15,839	419,395	345,906	442,579	374,971
Post employment benefits	7,927	5,889	1,462	7,248	46,159	53,598	55,548	66,735
Utilities	-	17	-	15	-	11	-	43
Other benefits	-	3,122	-	2,370	69,181	144,687	69,181	150,179
Reimbursement	-	-	-	-	3,915	3,861	3,915	3,861
Total	22,075	22,254	10,498	25,472	538,650	548,063	571,223	595,789
Number of persons for remuneration	1	1	1	2	110	86	112	89

44.1 Aggregate amount of meeting fee to 9 non-executive directors (2023: 7 non-executive Directors) was Rs.2.150 million (2023: Rs.1.850 million).

44.2 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.

44.3 During the year, a related party Messrs. Novatex Limited reimbursed Rs.122.253 million (2023: Rs.114.983 million) in respect of shared resources of certain directors and executives.

45 SEGMENT REPORTING

45.1 Reportable segments

The Group's reportable segments are as follows:

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

- Polyester PET Preform - it comprises manufacturing of Polyester PET Preform and its raw material. This includes the results of Subsidiary Company Messrs. Global Synthetics Limited, which has not yet commenced its operations till date.

- Electric Power generation - it comprises operations of Subsidiary Companies Messrs. Gatro Power (Private) Limited and Messrs. G-Pac Energy (Private) Limited.

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

(Rupees in Thousand)

	2024					2023				
	Polyester Filament Yarn	Polyester PET Preforms	Total of Polyester Polymer	Power Generation	Group	Polyester Filament Yarn	Polyester PET Preforms	Total of Polyester Polymer	Power Generation	Group
Sales	30,289,729	3,723,852	34,013,581	2,976,300	36,989,881	22,541,665	4,842,115	27,383,780	2,206,265	29,590,045
Segment result before depreciation	1,275,287	812,077	2,087,364	43,222	2,130,586	592,768	910,039	1,502,807	738,222	2,241,029
Less: Depreciation	(792,144)	(71,704)	(863,848)	(156,555)	(1,020,403)	(845,586)	(86,485)	(932,071)	(203,218)	(1,135,289)
Segment result after depreciation	483,143	740,373	1,223,516	(113,333)	1,110,183	(252,818)	823,554	570,736	535,004	1,105,740
Reconciliation of segment sales and results with sales and (Loss)/profit before levies and income tax:										
Total sales for reportable segments					36,989,881					29,590,045
Elimination of inter-segment sales from subsidiary company Messrs. Gatro Power (Private) Limited					(2,976,300)					(2,206,265)
Sales					34,013,581					27,383,780
Total results for reportable segments			1,223,516	(113,333)	1,110,183			570,736	535,004	1,105,740
Other operating expenses			(120,715)	(113,347)	(234,062)			(91,891)	(39,608)	(131,499)
Other income			289,650	123,471	413,121			74,599	249,470	324,069
Finance costs			(1,494,587)	(169,391)	(1,663,978)			(1,074,505)	(153,613)	(1,228,118)
Investment income - Dividend			8,538	-	8,538			1,072,313	-	1,072,313
			(93,598)	(272,600)	(366,198)			551,252	591,253	1,142,505
Elimination of intra group transaction					38,357					(1,045,997)
(Loss)/profit before levies and income tax					(327,841)					96,508
Assets and liabilities by segments are as follows:										
Segment assets	28,461,355	814,558	29,275,913	4,075,586	33,351,499	31,313,879	1,758,220	33,072,099	3,962,037	37,034,136
Segment liabilities	14,207,708	475,164	14,682,872	2,038,916	16,721,788	12,587,734	500,524	13,088,258	1,809,223	14,897,481
Reconciliation of segments assets and liabilities with total in the consolidated statement of financial position is as follows:										
				Assets	Liabilities				Assets	Liabilities
Total for reportable segments				33,351,499	16,721,788				37,034,136	14,897,481
Unallocated				5,313,198	6,618,926				4,504,764	16,628,537
Elimination of intra group balances				(995,312)	(478,445)				(836,789)	(439,640)
Total as per consolidated statement of financial position				37,669,385	22,862,269				40,702,111	31,086,378
Other segment information is as follows:										
Depreciation	792,144	71,704	863,848	156,555	1,020,403	845,586	86,485	932,071	203,218	1,135,289
Capital expenditures incurred during the year	2,096,335	8,823	2,105,158	176,572	2,281,730	7,865,037	11,712	7,876,749	362,504	8,239,253
Unallocated capital expenditure incurred during the year					497,473					237,574
Total					2,779,203					8,476,827

45.3 All non-current assets of the Group as at June 30, 2024 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 various countries.

45.4 Revenue from major customer individually accounting for more than 10% of the Group's revenue was Rs.5,947.955 million (2023 Rs. Nil).

			(Metric Tons)	
		Note	2024	2023
46	PLANT CAPACITY AND ACTUAL PRODUCTION			
	Polyester Filament Yarn	46.1		
	Annual capacity-75 denier		**43,424**	43,424
	Annual capacity-150 denier		**86,280**	86,280
	Actual production		**52,517**	54,594
	Polyester P.E.T. Preforms	46.2		
	Annual capacity - 27 gms		**31,512**	31,512
	Actual production		**12,676**	12,298
	Knitted Fabrics	46.3		
	Annual capacity		**1,090**	1,090
	Actual production		**699**	681
			(KWH in Thousand)	
	Electric Power	46.4		
	Annual operating capacity		**276,865**	258,542
	Actual production		**95,382**	104,966

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

46.2 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 462.150 million (2023: 480.266 million) against annual capacity (based on 27 gms) of 1,167 million pieces.

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

46.4 During the year, annual capacity has been adjusted on account of downfall in operating efficiency of generators due to aging. The actual production versus annual capacity is lower on account of annual capacity includes capacities of standby gas generators as well as spare HFO generators and requirement of well optimum running load on gas engines.

47 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	2024	2023
				(Rupees in Thousand)	
Novatex Limited	Related Party	Common directorship	Sale of goods	**4,097,801**	8,277
			Rendering of services	**1,850,154**	84,681
			Purchase of raw and other material	**1,273,202**	671,509
			Obtaining of services	**170,861**	674,311
			Purchase of property, plant and equipment	**-**	410,258
			Sale of property, plant and equipment	**-**	3,027
			Rent	**23,976**	21,512
			Reimbursement of expenses	**414,935**	254,550
Krystalite Product	Related Party	Common key management	Sale of goods	**173,981**	358,835
			Sale of property, plant and equipment	**2,450**	-
			Reimbursement of expenses	**2,585**	1,256
Mushtaq & Company (Private) Limited	Related Party	Common key management	Sale of goods	**-**	23,431
			sale of other material	**-**	220
Gani & Tayub (Private) Limited	Related Party	Common directorship	Payment of dividend	**-**	4,861
			Rent	**7,800**	9,693
Nova Frontiers Limited	Related Party	Common directorship	Issuance of Right Shares	**5,581,649**	-
Gatron Foundation	Related Party	Common directorship	Payment of donation	**3,954**	22,148
G-Pac Corporation	Related Party	Common directorship	Sale of goods	**415**	-
G&T Tyres (Private) Limited	Related Party	Common key management	Purchase of other material	**544**	3,749
Nova Mobility (Private) Limited	Related Party	Common directorship	Reimbursement of expenses	**84**	-
Gatron (Ind) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	**6,596**	5,694

- 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 44 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.

		(Rupees in Thousand)	
48	**PROVIDENT FUND RELATED DISCLOSURES**	**2024 (Un-audited)**	**2023 (Audited)**

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

	2024	2023
Size of the Funds - Total Assets	**150,970**	128,838
Cost of Investments made	**147,377**	125,462
Fair value of investments	**149,862**	127,809
Percentage of investments made (Fair value to size of the fund)	**99.27%**	99.20%

48.1 The Break-up of cost of investments is:

	2024 Amount	2024 %	2023 Amount	2023 %
	(Rupees in Thousand)			
Bank Deposits	**147,377**	**100.00%**	125,462	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.

	(Number of employees) 2024	2023
49 NUMBER OF EMPLOYEES		
Total number of employees as at June 30	**772**	842
Average number of employees during the year	**824**	841

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)
Stock in trade Finished goods	**Stock in trade** Goods in process	188,064
Loan and advances Advance for purchase of land	**Property, plant & equipment** Advance for purchase of land	14,800

51 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on October 04, 2024 by the Board of Directors of the Parent Company.

52 GENERAL

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

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

Notes to the Members

1. 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 dividend 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.

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

3. 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 required formalities.

4. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT:

The shareholders of the Company are hereby informed that as per provisions 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. The Securities and Exchange Commission of Pakistan ('SECP'), vide their letter No. CSD/ED/Misc./2016-639- 640 dated 26th March 2021, has advised all listed companies to pursue their such shareholders who still hold their shares in physical form for converting the same into book-entry-form.

In view of the above and as advised by SECP, the shareholders who hold physical shares are requested to arrange to convert them into book-entry-form. For this purpose, the shareholder shall be required to open an account with either Central

Depository Company of Pakistan or any Trading Rights Entitlement Certificate holder (Securities Broker) of Pakistan Stock Exchange.

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

5. TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS:

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

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

Proxy Form

FORTY FOUR ANNUAL GENERAL MEETING

I/We, ____________________________ of ____________________________

being a Shareholder of **Gatron (Industries) Limited** and holding ____________________

Ordinary Shares as per Register Folio No. ____________________ or "CDC" Participant's

I.D. No. ______________ A/c No. ______________________ hereby appoint

Mr. / Ms. ____

of ________________ or failing him/her Mr. / Ms. ____________________ of

____________________ as my/our Proxy in my/our absence to attend and vote for me/us

and on my/our behalf at the 44th Annual General Meeting of the Company to be held on Monday, October 28, 2024 at 11.00 a.m. and at any adjournment thereof.

Signed this ______________ day of, ________________ 2024.

Witness:

1. Signature ____________________
   Name ____________________
   Address ____________________
   CNIC No. ____________________

2. Signature ____________________
   Name ____________________
   Address ____________________
   CNIC No. ____________________

Signature on Revenue Stamp of Rs.5/-

Notes:

1. The proxy form in order to be valid must be signed across five rupees revenue stamp and should be deposited with the company not later than 48 hours before the time of holding the meeting.
2. The proxy must be a member of the company.
3. Signature should agree with the specimen signature, registered with the company.
4. CDC shareholders and their proxies must attach either an attested photocopy of their Computerized National Identity Card or Passport with this proxy form.
5. In case of corporate entity, the Board of Director's Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

مختارنامہ (پراکسی فارم)

۴۴واں سالانہ اجلاس عام

میں/ہم ____

____________ بحیثیت رکن گیٹرون (انڈسٹریز) لمیٹڈ وحامل ____________

عام حصص بمطابق شیئر رجسٹر فولیونمبر ____________ اور/یاسی ڈی سی کے شراکتی آئی ڈی نمبر ____________

اور ذیلی کھاتہ نمبر ____________ محترم/محترمہ ____________ ساکن ____________

یا بصورت دیگر ____________ ساکن ____________

کو اپنی/ ہماری جگہ بروز پیر، مورخہ 28 اکتوبر، 2024ء، 11:00 بجے میں منعقد یا ملتوی ہونے والے چوالیسواں سالانہ اجلاس عام میں شرکت، رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا/ کرتی / کرتے ہوں/ ہیں۔

دستخط مورخہ ____________ برائے ماہ وسال ____________ ثبت ہیں۔

گواہ:

5 روپے کا رسیدی ٹکٹ یہاں چسپاں کر کے دستخط کریں

1 دستخط ____________

نام ____________

پتہ ____________

سی این آئی سی نمبر ____________

2 دستخط ____________

نام ____________

پتہ ____________

سی این آئی سی نمبر ____________

نوٹ:

(1) مختارنامہ (پراکسی فارم) کے مؤثر ہونے کے لیے ضروری ہے کہ وہ 5 روپے کے رسیدی ٹکٹ پر دستخط کے ساتھ اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کو موصول ہو جائے۔

(2) مختار (پراکسی) کو کمپنی کا رُکن (ممبر) ہونا ضروری ہے۔

(3) دستخط کمپنی کے پاس رجسٹرڈ کردہ نمونے کے مطابق ہونی چاہیئے۔

(4) سی ڈی سی شیئر ہولڈرز اور ان کے پراکسیز سے گزارش ہے کہ وہ اپنے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی اس مختارنامہ (پراکسی فارم) کے ساتھ منسلک کریں۔

(5) **کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ آف ڈائیریکٹرز کی منظور شدہ قرارداد / پاور آف اٹرنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہوں گی۔**

Gatron