Gatron

QUARTERLY REPORT

September 30, 2024

GATRON (INDUSTRIES) LIMITED

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UNCONSOLIDATED PRESENTATION

CONSOLIDATED PRESENTATION

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

Special Advisor
Pir Muhammad Diwan

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

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

Company Secretary
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
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Phone: 021-32271905-6

Bankers / Financial Institutions
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
Soneri Bank Limited
MCB Islamic Bank Limited

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Directors' Report

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the quarterly report of Garton (Industries) Limited for the period ended September 30, 2024, along with the un-audited financial statements.

Financial Review:

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

- Net sales Rs.5,905 million,
- Operating loss Rs.260 million,
- Loss before levies and income tax Rs.765 million,
- Levies and income tax Rs.74 million
- Loss after income tax Rs.839 million,
- Paid up capital Rs.1,087 million,
- Shareholders' equity Rs.12,448 million

The loss before levies and income tax for the period ended September 30, 2024 is Rs.765 million compared to Rs.636 million in the corresponding period. However, including the results of the Captive power subsidiary your Company incurred a loss of Rs.720 million before levies and income tax and Rs.797 million after income tax compared to Rs.427 million loss before levies and income tax and Rs.530 million loss after income tax in the corresponding period. While Dumping is predominantly contributing to the negative results, however in this quarter the situation was further exacerbated by the sharp drop in international raw material prices in September 2024, which led to a sharp drop in product prices both internationally and locally while the company had higher stocks of finished goods and raw material from the previous months with higher raw material costs. Moreover with the end of peak buying season the preform production and sales in September 24 also sharply dropped.

Your company achieved net revenue of Rs.5,905 million compared to Rs.7,914 million in the corresponding period, indicating an overall net decrease of 25%, as yarn sales quantities reduced by 21% as compared to the corresponding period. Further during the current period preforms operations run on tolling basis.

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, as such not being able to utilize fully the expanded capacity. Consequently, this has resulted in a notable escalation in fixed cost including the depreciation of the newly installed capacity. As you are aware that including this financial year, your company has made investment of over Rs. 20 billion in the last 4 to 5 years to enable the increase annual production capability of mixed deniers from 65,000 tons in 2020 to approx. 99,000 tons, viz an increase in production capability by around 50% since 2020. In fact, the production capability was only

36,000 tons in 2017 so since 2017 production capability of PFY has increased by 2.75 times. The diversified polymer capacity has also been added through this capital expenditure.

These lower operating rates resulted in higher fixed costs related to depreciation and finance.

Distribution & selling expenses increased by 46% as compared to correspondence period. On the other side, administrative expenses increased by 25% mainly due to inflationary factors.

Finance cost decreased compared to the corresponding period due to the recent reduction in discount rate by SBP. It should have been reduced more but higher stocks on account of intense dumped imports of PFY in the domestic market, did not allow it.

On the Balance Sheet front as compared to June 30, 2024, stocks increased by Rs.1,388 million to reach to Rs.8,891 million. Debtors increased by Rs.173 million to reach Rs.3,689 million while creditors increased by Rs.272 million to reach Rs.5,795 million. Company's short-term borrowings increased by Rs.2,793 million as compared to June 30, 2024 to reach Rs.6,372 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 the sunset review and consequently the anti-dumping duties as in force in November 2023 against dumped imports of PFY from China and Malaysia. The technical reason given was the exclusion of Fully Drawn Yarn (FDY) from the scope of Sunset Review. This exclusion of FDY for the sunset review was made by NTC itself in the year 2022. While the Company had challenged this ADD termination of November 2023 but based on the successful acceptance of PFY industry application of new dumping investigation by NTC on DTY, 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, no ADD was/will be in force despite injury being suffered by the domestic industry. 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 domestic manufacturers was not mitigated by the notified ADD. The importers get a stay in one High Court, (w/o any security being deposited with the court). The petition then 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.

Since October 2023, India has imposed the non-tariff barrier removing the BIS (Bureau of Indian standard) exemption for imports of PFY into India. Because of which the import of PFY from China into India have reduced from 50,000 tons per month (annualized 600,000 MT) to less than 10,000 tons per month (annualized 120,000 MT) at present. The Chinese producers have been trying for long to call the BIS team for inspection and approval but while other countries like Korea, Taiwan etc. have got the BIS approval, the BIS visit/approval of China is not happening. However, India allows Chinese PFY to be imported under Export Bond Scheme for processing and export. So effectively its not for quality/standards but to prevent the injury to the local PFY industry by the excess Chinese dumping. 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 it 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 of PFY stood over 350,000 tons compared to 260,000 tons in year 2017-18 so increasing domestic production of the same is also essential to reduce this pressure on the current account deficit of the country.

OTHER MATTERS

- The principal business of Wholly Owned Subsidiary Company Messrs. Gatro Power (Private) Limited is to generate and sell electric power. The operations of the company remain normal during the period.

- 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 does not recommend any interim cash dividend for the three months period ended September 30, 2024.

EARNING PER SHARE

The loss per share of the Company for the three months period ended on September 30, 2024, is Rs.7.71.

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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The un-audited condensed interim consolidated financial statements of the Group along with notes and directors' report thereto have also been included in 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 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 CHIEF EXECUTIVE OFFICER	**MUHAMMAD IQBAL BILWANI** DIRECTOR

October 25, 2024

آمدن/خسارہ فی حصہ:

30 ستمبر 2024ء کو اختتام پذیر ہونے والی سہ ماہی کے لیئے خسارہ فی حصہ 7.71 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۔

کنڈینسڈ عبوری مجموعی مالیاتی گوشوارے:

گروپ کے غیر آڈٹ شدہ کنڈنسڈ عبوری کنسولیڈیٹڈ مالیاتی گوشواروں (condensed interim consolidated financial statements) کے ہمراہ نوٹس اور ڈائریکٹرز کی رپورٹ بھی اس رپورٹ کے ساتھ منسلک ہیں۔

اندرونی مالیاتی کنٹرول

اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

اظہار تشکر:

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

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

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

شبیر دیوان	**محمد اقبال بلوانی**
چیف ایگزیکٹو آفیسر	ڈائریکٹر

بتاریخ: 25 اکتوبر 2024ء

لہذا، 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۔ لہذا، 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۔

اکتوبر 2023ء سے ہندوستان نے پی ایف وائی کی ہندوستان میں درآمدات کے لئے بی آئی ایس (بیورو آف انڈین اسٹینڈرڈ) BIS کی استثنیٰ کو ہٹاتے ہوئے نان ٹیرف بیریئر نافذ کیا ہے۔
جس کی وجہ سے چین سے بھارت میں پی ایف وائی (PFY) کی درآمدات 50,000 ٹن فی مہینہ (سالانہ 600,000 ٹن) سے کم ہو کر فی الحال 10,000 ٹن فی مہینہ (سالانہ 120,000 ٹن) سے بھی کم ہوگئی ہیں۔ چائنیز پروڈیوسر طویل عرصے سے بی آئی ایس (BIS) ٹیم کو معائنہ اور منظوری کے لیے بلانے کی کوشش کر رہے ہیں، تاہم دیگر ممالک جیسے کوریا، تائیوان وغیرہ نے بی آئی ایس BIS کی منظوری حاصل کر لی ہے، چین کے لیے بی آئی ایس BIS کی آمد/منظور ہونے کی توقع نہیں ہے۔ تاہم، بھارت چینی PFY کو برآمدی بانڈ اسکیم کے تحت پروسیسنگ اور برآمد کے لیے درآمد کرنے کی اجازت دیتا ہے۔ لہذا، یہ معیار/معیارات اس کے لیے نہیں ہے بلکہ مقامی PFY صنعت کو اضافی چائنیز ڈمپنگ سے ہونے والے نقصان سے بچانے کے لیے 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 اور یارن کی درآمدات ریگولیٹری ڈیوٹی (RD) رکھی جائے 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 چائنیز 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 تاکہ 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 دو عددی 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 تاکہ 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 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 2017-18 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 گیٹر و پاور (پرائیویٹ) لمیٹڈ کا اصل کاروبار بجلی کی پیداوار اور فروخت ہے۔ دوران مدت کمپنی کے آپریشنز معمول کے مطابق رہے۔
- 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 ستمبر 2024ء کے اختتام پذیر ہونے والی سہ ماہی کیلئے کسی بھی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

مالیاتی لاگت میں اسٹیٹ بینک آف پاکستان کی جانب سے حالیہ ڈسکاؤنٹ شرح میں کمی کی وجہ سے گزشتہ مدت کے مقابلے میں کمی آئی ہے۔ یہ کمی زیادہ ہونی چاہیے تھی، تاہم مقامی مارکیٹ میں پی ایف وائی کی شدید ڈمپنگ کے نتیجے میں زائد اسٹاکس کی وجہ سے ایسا ممکن نہیں ہوسکا۔

بیلنس شیٹ کے حوالے سے 30 جون 2024ء کے مقابلے میں، اسٹاکس میں 1,388 ملین روپے کا اضافہ ہوا ہے، جس سے یہ 8,891 ملین روپے تک پہنچ گیا۔ ڈیبٹرز میں 173 ملین روپے کا اضافہ ہوا ہے، جو کہ 3,689 ملین روپے تک پہنچ گیا ہے، جبکہ کریڈیٹرز میں 272 ملین روپے کا اضافہ ہوا ہے، جو کہ 5,795 ملین روپے تک پہنچ گیا ہے۔ کمپنی کے قلیل مدتی قرضہ جات 30 جون 2024ء کے مقابلے میں 2,793 ملین روپے کا اضافہ ہوا ہے، جو کہ 6,372 ملین روپے تک پہنچ گیا ہے۔

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 ٹربیونل کے سامنے اپیلیں دائر کی تھی۔ اپیلٹ ٹربیونل نے چار سال سے زیادہ مدت کے بعد دسمبر 2021ء میں کیس کو دوبارہ NTC کو بھیج دیا تاکہ 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 نقصان کو تسلیم کرنے کے باوجود، نوتشکیل شدہ NTC نے نومبر 2023ء میں سن سیٹ ریویو کے پیش نظر پوزیشن پر غور کرتے ہوئے (جو اس دورانیہ میں آغاز کیا 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 نو عائد اینٹی ڈمپنگ ڈیوٹی ختم کر دی گئی۔ تکنیکی وجہ سن سیٹ ریویو کے دائرہ کار سے مکمل طور پر تیار کردہ یارن (FDY) کا اخراج تھا۔ یہ اخراج کا فیصلہ NTC نے خود 2022ء میں کیا تھا۔ کمپنی نے نومبر 2023ء میں اینٹی ڈمپنگ ڈیوٹیز کے اس خاتمے کو چیلنج کیا تھا، تاہم پی ایف وائی انڈسٹری کی جانب سے NTC کے نئے ڈمپنگ تحقیقات کی درخواست کی کامیاب منظوری کی بنیاد پر، کمپنی نے اپیلٹ ٹربیونل میں اپنی درخواست واپس لے لی۔ تاہم، نومبر 2023 سے لے کر اس وقت تک جب NTC نئی تحقیقاتی عمل کی بنیاد پر کارروائی کرے، کوئی بھی اینٹی ڈمپنگ ڈیوٹی نافذ نہیں ہوگی، حالانکہ مقامی صنعت کو نقصان کا سامنا ہے۔ اس وقت دنیا کے آٹھ ممالک نے چینی PFY کے خلاف اینٹی ڈمپنگ ڈیوٹیز عائد ہیں، جو کہ دنیا کے تقریباً 70 فیصد ممالک پر محیط ہے جو PFY تیار 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 ہوجاتا ہے۔ اگرچہ وہ ایک بار مسترد ہونے کے بعد دوبارہ ہائی کورٹ میں وہی درخواست نہیں دائر کرسکتے، تاہم وہ کسی دوسرے شہر کی ہائی کورٹ میں یہ حقیقت چھپاتے ہوئے دوبارہ درخواست دائر کرلیتے 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 کرلیا 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 2023ء سے ختم کر دی گئی ہیں) تاکہ اصل ڈمپنگ/نقصان کو پورا کیا جاسکے اور یہ چائنیز پالیسٹر فلامینٹ یارن کے برآمد کنندگان پر عائد کردہ درج ذیل ADD سے کہیں کم ہیں:

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

بورڈ آف ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان،

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 ستمبر 2024ء کو ختم ہونے والی مدت کیلئے گیٹرون (انڈسٹریز) لمیٹڈ کے سہ ماہی غیر آڈٹ شدہ مالیاتی گوشواروں کی رپورٹ کو پیش کرتے ہوئے دلی مسرت محسوس کررہے ہیں۔

مالیاتی جائزہ:

زیر جائزہ سال کا مالیاتی خلاصہ مندرجہ ذیل ہے:

خالص فروخت 5,905 ملین روپے،

آپریٹنگ خسارہ 260 ملین روپے،

خسارہ قبل از محصولات اور انکم ٹیکس 765 ملین روپے،

محصولات اور انکم ٹیکس 74 ملین روپے

خسارہ بعد از انکم ٹیکس 839 ملین روپے،

ادا شدہ سرمایہ 1,087 ملین روپے،

حصص یافتگان کی ایکویٹی 12,448 ملین روپے

30 ستمبر 2024ء کو ختم ہونے والی مدت کے لیے پچھلے سال کے اسی دورانیہ میں خسارہ قبل از محصولات اور انکم ٹیکس 636 ملین کے مقابلے میں 765 ملین روپے رہا۔ تاہم، اگر کیپٹیو پاور ذیلی کمپنی کے نتائج شامل کیے جائیں تو آپ کی کمپنی نے خسارہ قبل از محصولات اور انکم ٹیکس 720 ملین روپے اور بعد از انکم ٹیکس 797 ملین روپے کا نقصان اٹھایا ہے، جبکہ پچھلے سال کے اسی دورانیہ میں خسارہ قبل از محصولات اور انکم ٹیکس 427 ملین روپے اور بعد از انکم ٹیکس 530 ملین روپے خسارہ ہوا تھا۔ اگرچہ منفی نتائج میں سب سے بڑا سبب ڈمپنگ ہے، تاہم اس سہ ماہی میں صورتحال کو مزید خراب اس بات نے کیا کہ ستمبر 2024 میں عالمی سطح پر خام مال کی قیمتوں میں تیزی سے کمی آئی جس کی وجہ سے مصنوعات کی قیمتیں بین الاقوامی اور مقامی دونوں سطح پر کم ہوگئیں، جبکہ کمپنی کے پاس پچھلے مہینوں سے خام مال اور تیار شدہ مال کے زائد ذخائر موجود تھے جن کی لاگت زیادہ تھی۔ مزید برآں، خریداری کے عروج کے موسم کے اختتام پر ستمبر 2024 میں پری فارم کی پیداوار اور فروخت میں بھی نمایاں کمی ہوئی۔

آپ کی کمپنی نے گزشتہ مدت کے 7,914 ملین روپے کے مقابلے میں 5,905 ملین روپے کی خالص فروخت حاصل کی، جس میں مجموعی طور پر 25% کی کمی ظاہر ہوتی ہے۔ یہ کمی اس لیے بھی ہوئی کہ یارن کی فروخت کی مقدار میں گزشتہ مدت کے مقابلے میں 21% کی کمی ہوئی۔ مزید برآں، موجودہ مدت کے دوران پری فارم کی پیداوار ٹولنگ کی بنیاد پر چلائی گئی۔

جیسا کہ گزشتہ رپورٹس میں بتایا جا چکا ہے، کمپنی کو درآمد شدہ یارن کی غیر معمولی ڈمپنگ کا سامنا ہے، جس کے باعث مقامی مارکیٹ میں یارن کی فراہمی انتہائی کم قیمتوں پر ہورہی 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 کردیا ہے، جس کی تفصیل مستقبل کے تجزیے کے سیکشن میں دی گئی ہے۔ فی الحال، دنیا کے آٹھ ممالک نے چائنیز 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۔

پی ایف وائی (PFY) کی انتہائی کم قیمتوں پر بڑے پیمانے پر ڈمپنگ نے کمپنی کو اپنی پیداواری صلاحیت کے نمایاں حد تک کم سطح پر استعمال کرنے پر مجبور کردیا ہے، جس کے نتیجے میں توسیع شدہ پیداواری صلاحیت کا مکمل استعمال ممکن نہیں ہورہا۔ اس کا نتیجہ یہ نکلا ہے کہ فکسڈ لاگت میں نمایاں اضافہ ہوا ہے، جس میں نئی تنصیب شدہ صلاحیت کی تخفیف بھی شامل ہے۔ جیسا کہ آپ جانتے ہیں، مذکورہ مالی سال سمیت، کمپنی نے گزشتہ 4 سے 5 سالوں میں 20 ارب روپے سے زائد کی سرمایہ کاری کی ہے تاکہ مخلوط ڈینیئرز کی سالانہ پیداواری صلاحیت کو 2020ء میں 65,000 ٹن سے بڑھا کر تقریباً 99,000 ٹن تک کیا جاسکے، یعنی 2020 سے پیداواری صلاحیت میں تقریباً 50% کا اضافہ ہوا ہے۔ درحقیقت، 2017ء میں پیداواری صلاحیت صرف 36,000 ٹن تھی، لہذا 2017ء سے پی ایف وائی کی پیداواری صلاحیت میں 2.75 گنا اضافہ ہوا ہے۔ اس سرمایہ کاری کے ذریعے مختلف النوع پولیمر کی پیداواری صلاحیت بھی شامل کی گئی 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 46 فیصد اغافہ ہوا، دوسری جانب، انتظامی اخراجات میں 25 فیصد اضافہ ہوا ہے، جو بنیادی طور پر افراط زر کے عوامل کی وجہ سے ہوا۔

Condensed Interim Un-consolidated Statement of Financial Position
As At September 30, 2024

	Note	September 2024 (Un-audited)	June 2024 (Audited)
		(Rupees in Thousand)	
ASSETS			
Non - Current Assets			
Property, plant and equipment	5	19,438,824	18,778,042
Intangible assets	6	57,646	60,152
Long term investments		496,424	509,463
Long term loans		407,377	405,475
Long term deposits		6,936	6,936
		20,407,207	19,760,068
Current Assets			
Stores, spare parts and loose tools		1,960,960	1,990,321
Stock in trade		8,890,782	7,503,024
Trade debts	13	3,689,134	3,516,225
Loans and advances	13	292,966	460,483
Current portion of long term loans		49,645	35,584
Trade deposits and short term prepayments		198,170	71,525
Other receivables	13	917,277	884,648
Advance income tax		-	70,000
Cash and bank balances		307,995	297,008
		16,306,929	14,828,818
TOTAL ASSETS		36,714,136	34,588,886
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	1,087,290	1,087,290
Capital reserves		11,656,603	11,656,603
Unappropriated profit		(295,568)	543,270
		12,448,325	13,287,163
LIABILITIES			
Non - Current Liabilities			
Long term financing		8,341,620	8,507,127
Lease liability against right of use assets		101,981	107,749
Deferred liabilities and income	8	1,328,983	1,340,828
		9,772,584	9,955,704
Current Liabilities			
Trade and other payables	9 & 13	5,794,628	5,522,641
Unclaimed dividend		8,085	8,219
Unpaid dividend		20,801	20,801
Accrued mark-up/ profit		629,560	543,012
Short term borrowings		6,372,161	3,579,563
Current portion of long term financing		1,248,748	1,196,089
Current portion of lease liability against right of use assets		17,390	15,020
Current portion of deferred liabilities and income		254,396	254,090
Provision for income tax less payments		147,458	206,584
		14,493,227	11,346,019
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		36,714,136	34,588,886

The notes 1 to 16 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.

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

Condensed Interim Un-consolidated Statement of Profit or Loss (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Jul-2024 to Sep-2024	Jul-2023 to Sep-2023 Restated
	(Rupees in Thousand)	
Sales	5,904,648	7,914,353
Cost of sales	5,889,474	7,647,671
Gross profit	15,174	266,682
Distribution and selling costs	122,151	83,893
Administrative expenses	167,169	133,361
Other operating expenses	24,412	131,440
	313,732	348,694
	(298,558)	(82,012)
Other income	38,553	16,181
Operating loss	(260,005)	(65,831)
Finance cost	505,217	570,524
Loss before levies and income tax	(765,222)	(636,355)
Levies	73,616	97,962
Loss before income tax	(838,838)	(734,317)
Income tax - Deferred	-	5,644
Loss for the period	(838,838)	(739,961)
Loss per share - Basic and diluted (Rupees)	(7.71)	(6.81)

The notes 1 to 16 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUSTUFA BILWANI
Chief Financial Officer

Condensed Interim Un-consolidated Statement of Comprehensive Income (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	(Rupees in Thousand)	
	Jul-2024 to Sep-2024	Jul-2023 to Sep-2023
Loss for the period	**(838,838)**	(739,961)
Other comprehensive income	**-**	-
Total comprehensive loss	**(838,838)**	(739,961)

The notes 1 to 16 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUSTUFA BILWANI
Chief Financial Officer

Condensed Interim Un-consolidated Statement of Changes in Equity (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

(Rupees in Thousand)

	Share capital	Capital reserves	Unappropriated (loss)/profit	Total
Balances as at July 01, 2023	767,290	6,383,645	709,132	7,860,067
Total comprehensive loss for the three months ended September 30, 2023				
Loss for the period	-	-	(739,961)	(739,961)
Other comprehensive income	-	-	-	-
	-	-	(739,961)	(739,961)
Balances as at September 30, 2023	767,290	6,383,645	(30,829)	7,120,106
Total comprehensive income for the nine months ended June 30, 2024				
Profit for the period	-	-	535,603	535,603
Other comprehensive income	-	-	38,496	38,496
	-	-	574,099	574,099
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
Shares issue cost	-	(7,042)	-	(7,042)
Balances as at June 30, 2024	1,087,290	11,656,603	543,270	13,287,163
Total comprehensive loss for the three months ended September 30, 2024				
Loss for the period	-	-	(838,838)	(838,838)
Other comprehensive income	-	-	-	-
	-	-	(838,838)	(838,838)
Balances as at September 30, 2024	**1,087,290**	**11,656,603**	**(295,568)**	**12,448,325**

The notes 1 to 16 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.

SHABBIR DIWAN
Chief Executive Officer

MUHAMMAD IQBAL BILWANI
Director

MUSTUFA BILWANI
Chief Financial Officer

Condensed Interim Un-consolidated Statement of Cash Flows (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Jul-2024 to Sep-2024	Jul-2023 to Sep-2023
	(Rupees in Thousand)	
Cash Flows (towards)/from Operating Activities		
Loss before levies and income tax	**(765,222)**	(636,355)
Adjustments for:		
Depreciation	**351,208**	158,791
Depreciation on right of use assets	**6,627**	-
Provision for defined benefit plan	**33,343**	33,210
Gain on disposal of property, plant and equipment	**(3,086)**	(1,178)
Impairment in long term investments	**7,997**	8,089
Reversal of allowance for ECL-net	**(13,609)**	(2,845)
Impairment allowance for slow moving stores, spare parts and loose tools-net	**6,010**	3,678
Amortization of interest free long term loan to subsidiary company	**(16,326)**	(5,641)
Amortization of intangible asset	**2,506**	2,506
Remeasurement gain on discounting of provision for GIDC	**(1,173)**	(3,206)
Finance costs	**505,217**	570,524
	878,714	763,928
	113,492	127,573
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	**23,351**	203,956
Stock in trade	**(1,387,758)**	(2,349,267)
Trade debts	**(159,300)**	(286,938)
Loans and advances	**167,517**	(552,807)
Trade deposits and short term prepayments	**(126,645)**	204,125
Other receivables	**(32,629)**	(401,831)
	(1,515,464)	(3,182,762)
Increase in Trade and other payables	**273,184**	4,043,776
Cash flows (towards)/from operations before following	**(1,128,788)**	988,587
(Payments for)/receipts of:		
Long term loans	**5,405**	(9,347)
Defined benefit plan	**(4,294)**	(4,523)
Finance costs	**(412,709)**	(86,917)
Income tax	**(62,742)**	(136,855)
Net cash flows (towards)/from operating activities	**(1,603,128)**	750,945
Cash Flows (towards)/from Investing Activities		
Additions in property, plant and equipment	**(1,020,229)**	(1,865,509)
Proceeds from disposal of property, plant and equipment	**4,698**	1,516
Net cash flows towards investing activities	**(1,015,531)**	(1,863,993)
Cash Flows (towards)/from Financing Activities		
Long term financing - proceeds received	**135,215**	447,616
Long term financing - repayments	**(288,675)**	(79,536)
Payments for lease liability against right of use assets	**(9,358)**	-
Short term borrowings - net (fixed term instruments)	**(10,394)**	850,000
Dividend paid	**(134)**	(11,590)
Net cash flows (towards)/from financing activities	**(173,346)**	1,206,490
Net (decrease)/increase in cash and cash equivalents	**(2,792,005)**	93,442
Cash and cash equivalents at the beginning of the period	**(3,117,730)**	(7,337,802)
Cash and cash equivalents at the end of the period	**(5,909,735)**	(7,244,360)
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	**307,995**	465,580
Short term borrowings	**(6,217,730)**	(7,709,940)
	(5,909,735)	(7,244,360)

The notes 1 to 16 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.

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

NOTES TO THE CONDENSED INTERIM UN-CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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 the 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 plant of the Company is situated at Plot No.441/49-M2, Sector "M", H.I.T.E., Main R.C.D. Highway, Hub, District 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 Following are the wholly owned subsidiaries of the Company:

- 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 These condensed interim un-consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of International Accounting Standards (IAS) 34, interim financial reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim un-consolidated financial statements are the separate condensed interim un-consolidated financial statements of the Company in which investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

2.3 These condensed interim un-consolidated financial statements are unaudited and do not include all the information and disclosures of the annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2024.

2.4 New accounting standards / amendments and IFRS interpretations that are effective for the period ended September 30, 2024

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

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on July 1, 2024; however, these do not have any significant impact on these condensed interim un-consolidated financial statements, hence not described.

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

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 of restatement on the condensed interim un-consolidated statement of financial position, the condensed interim un-consolidated statement of comprehensive income, the condensed interim un-consolidated statement of changes in equity and earnings / loss per share as a result of this change.

	(Rupees in thousand)		
	Before change in accounting policy	**Impact of adjustment**	**After Change in accounting policy**
Effect on statement of profit or loss			
For the quarter ended September 30, 2024			
Levies	**-**	**(73,616)**	**(73,616)**
Loss before income tax	**(765,222)**	**(73,616)**	**(838,838)**
Income tax	**(73,616)**	**73,616**	**-**
For the quarter ended September 30, 2023			
Levies	-	(97,962)	(97,962)
Loss before income tax	(636,355)	(97,962)	(734,317)
Income tax	(103,606)	97,962	(5,644)

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

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company, therefore, have not been disclosed in these condensed interim un-consolidated financial statements.

2.5 Functional and reporting currency

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

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements and estimates made by the management in the preparation of these condensed interim un-consolidated financial statements were the same as those applied to the audited financial statements as at and for the year ended June 30, 2024.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these condensed interim 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, 2024.

	Note	September 2024 (Un-audited)	June 2024 (Audited)
		(Rupees in Thousand)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	13,624,829	13,803,433
Capital work in progress	5.2	5,711,797	4,848,559
Right of use assets	5.3	102,198	108,825
Advance for purchase of land		-	17,225
		19,438,824	18,778,042

5.1 Following are the cost of additions and net book value (NBV) of assets disposed off during the period:

Additions at cost during the period including transfer from Capital work in progress

	Three months ended September 2024	Three months ended September 2023
Freehold Land	173,208	128,902
Building on leasehold land	-	1,304
Plant and machinery	-	231
Factory equipment	-	1,279
Office equipment	1,008	-
Motor vehicles	-	40,884
	174,216	172,600

Disposals at NBV during the period

Plant and machinery	149	-
Motor vehicles	1,463	338
	1,612	338

5.2 Capital work in progress

Balance as at start of the period	4,848,559	10,904,098
Additions	863,238	1,694,444
Transfer to operating fixed assets	-	(1,535)
Balance as at end of the period	5,711,797	12,597,007

		Three months ended September 2024	Three months ended September 2023
		(Rupees in thousand)	
5.2.1	Building on leasehold land	**688,569**	969,449
	Plant and machinery	**5,023,228**	11,627,558
		5,711,797	12,597,007

		September 2024 (Un-audited)	June 2024 (Audited)
5.3	**Right of use assets**		
	Rented premises		
	Balance as at start of the period	**108,825**	-
	Additions during the period/year	**-**	132,545
	Depreciation for the period/year	**(6,627)**	(23,720)
	Balance as at end of the period	**102,198**	108,825
6	**INTANGIBLE ASSETS**		
	Software & licences		
	Balance as at start of the period	**60,152**	70,177
	Amortization during the period/year	**(2,506)**	(10,025)
	Balance as at end of the period	**57,646**	60,152

7 SHARE CAPITAL

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

		Note	September 2024 (Un-audited)	June 2024 (Audited)
			(Rupees in Thousand)	
8	**DEFERRED LIABILITIES AND INCOME**			
	Deferred Liabilities			
	Defined benefit plan	8.1	653,126	624,077
	Deferred income			
	Deferred Income - Government scheme	8.2	675,857	716,751
			1,328,983	1,340,828

8.1 Defined benefit plan

	September 2024	June 2024
Balance as at start of the period	624,077	567,977
Expense for the period/year	33,343	130,509
Remeasurement gain	-	(38,496)
Payments during the period/year	(4,294)	(35,913)
Balance as at end of the period	653,126	624,077

8.2 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). 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.

9 TRADE AND OTHER PAYABLES

Trade and other payables includes provision in respect of following:

9.1 The Oil and Gas Regulatory Authority (OGRA) had enhanced gas rate from Rs.488.23 per MMBTU for industrial and Rs.573.28 per MMBTU for captive power to Rs.600 per MMBTU with effect from September 01, 2015. The Company alongwith several other companies filed suit in the Sindh High Court challenging the increase in rate. The Honorable Sindh High Court had initially granted interim relief, whereby recovery of enhanced rate was restrained. In May 2016, the Honorable Single Bench of Sindh High Court decided the case in favor of the Petitioners. However, in June 2016, Defendants filed appeal before the Double Bench of Sindh High Court which was also decided in favor of the Petitioners. Messrs. Sui Southern Gas Company Limited (SSGCL) then have filed appeal and pending before the Honorable Supreme Court of Pakistan. Meanwhile, OGRA had issued another notification dated December 30, 2016 overriding the previous notification and SSGCL billed @ Rs.600 per MMBTU. However, on January 19, 2017, the Company alongwith others filed a suit in the Sindh High Court against OGRA, SSGCL and others. The Honorable Sindh High Court granted interim relief and instructed SSGCL to revise bills at previous rate against securing the differential amount with the Nazir of the Court. Accordingly, the Company has provided bankers' verified cheque to Nazir of High Court amounting to Rs.47.667 million (June 2024: Rs.47.667 million). As an abundant precaution, the Company has made total provision of Rs.40.194 million (June 2024: Rs.40.194 million). On October 04, 2018, OGRA has issued another notification to increase gas tariff with effect from September 27, 2018 for different categories which the Company is paying in full as per the notification. In September 2024, the Honorable Single Bench of Sindh High Court decided the case in favor of the Petitioners. SSGCL has filed an appeal before the Double Bench of Sindh High Court agaisnt the decision and the matter is pending for adjudication.

9.2 In August 2013, OGRA had enhanced gas rate from Rs.488.23 per MMBTU to Rs.573.28 per MMBTU for captive power and accordingly, SSGCL started charging rate prescribed for captive power to the Company with effect from September 2013. On December 21, 2015, the Company alongwith several other companies filed suit in the Sindh High Court against OGRA, SSGCL and others challenging the charging of captive power tariff instead of industrial tariff. The Honorable Sindh High Court has granted interim relief, whereby recovery of captive power rate has been restrained. Meanwhile, OGRA had issued another notification dated December 30, 2016 overriding the previous notification and SSGCL billed @ Rs.600 per MMBTU. However, on January 19, 2017, the Company alongwith others filed a suit in the Sindh High Court against OGRA, SSGCL and others. The Honorable Sindh High Court granted interim relief and instructed SSGCL to revise bills at previous rate against securing the differential amount with the Nazir of the Court. Accordingly, the Company has provided bankers' verified cheque to Nazir of High Court (refer note 9.1). As an abundant precaution, the Company has made provision of Rs.15.977 million (June 2024: Rs.15.977 million) pertaining to the period of November 2015 to September 2018 and did not create receivable of Rs.13.629 million in respect of period from August 2013 to October 2015. On October 04, 2018, OGRA has issued another notification to increase gas tariff with effect from September 27, 2018 for different categories and the Company is paying full amount of the gas bills as per this notification. In February, 2020, the Honorable Single Bench of Sindh High Court has decided the case in favor of Petitioners. SSGCL has filed appeal before the Double Bench of Sindh High Court against the decision and is pending for adjudication.

9.3 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.828.365 million (June 2024: Rs.778.365 million) in favor of Excise and Taxation Department, in respect of consignments cleared after December 27, 2006 (refer note 10.2). Full provision after December 27, 2006 has been made in these condensed interim un-consolidated financial statements as an abundant precaution.

9.4 The Federal Board of Revenue (FBR) vide SRO 491(I)/2016 dated June 30, 2016 made certain amendments in SRO 1125(I)/2011 dated December 31, 2011 including disallowance of input tax adjustment on packing material of textile products. Consequently, input tax adjustment on packing material of textile product was not being allowed for adjustment with effect from July 01, 2016 till June 30, 2018. On January 16, 2017, the Company had challenged the disallowance of input tax adjustment on packing material in the Sindh High Court against Federation of Pakistan and others. The Honorable Sindh High Court has decided the matter in favor of Tax Department, against which the Company has filed an appeal 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.

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

10 CONTINGENCIES AND COMMITMENTS

The detail of contingencies and commitments as at reporting date are as follows:

10.1 Details of Litigations/ Tax Related Issues

10.1.1 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 for adjudication.

10.1.2 In May 2015, the Parliament passed the Gas Infrastructure Development Cess (GIDC) Act 2015, which seeks to impose GIDC levy since 2011. On July 16, 2015, the Company along with several other companies filed suit in the Sindh High Court against OGRA and others challenging the validity and promulgation of GIDC Act 2015. The Honorable Single Bench of Sindh High Court had decided the case in favor of Petitioners. However, in May 2020, Defendants have filed appeal before the Double Bench of Sindh High Court. On August 13, 2020, the Honorable Supreme

Court of Pakistan finally in the appeals filed by industries of Khyber Pakhtunkhwa, passed a judgment in favor of Government declaring the GIDC Act 2015 intra vires and directed all the Petitioners/Appellants (including industries of all over Pakistan) for payment of Cess liability accrued till July 31, 2020 in 24 equal monthly installments. The Company has filed Review Petition against the Judgment, wherein the Honorable Supreme Court of Pakistan has provided some relief by increasing the time period for recovery of GIDC from 24 installments to 48 installments and also hold that GIDC relating to period prior to the GIDC Act, 2015 is not recoverable in case the same was not passed on by the Company. As per the judgement of Supreme Court of Pakistan, the Company has filed a 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 Sindh High Court has granted stay order to Plaintiffs whereby the Messrs. Sui Southern Gas Company Limited has been restrained to take any coercive action against non payment of GIDC installments.

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

10.1.3 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.44.581 million (June 2024: Rs.42.340 million) has been made in these condensed interim un-consolidated financial statements.

10.1.4 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. 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 condensed interim un-consolidated financial statements as the Company is confident that the matter will be decided in favor by the appellate authorities.

10.1.5 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.

10.1.6 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.

10.1.7 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 condensed interim un-consolidated financial statements.

10.1.8 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 condensed interim un-consolidated financial statements.

10.1.9 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 condensed interim un-consolidated financial statements.

10.1.10 The Company had filed a petition no. CP No.D-5468 dated August 26, 2019 in Sindh High Court against 3% Minimum Value Addition Tax on import of machinery, which has been levied through Finance Act, 2019. Stay has been granted by the Honorable Sindh High Court against submission of bank guarantee in favor of Nazir of the Court. Till reporting date, the Company has provided 100% bank guarantee amounting to Rs.15.351 million (June 2024: Rs.15.351 million), refer note 10.2. Moreover, through Finance Act, 2020 this levy has been withdrawn from manufacturer w.e.f. July 01, 2020.

10.1.11 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 condensed interim un-consolidated financial statements.

10.1.12 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 condensed interim un-consolidated financial statements.

10.1.13 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. 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 condensed interim un-consolidated financial statements.

10.1.14 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.

10.1.15 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 condensed interim un-consolidated financial statements.

10.1.16 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. 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 condensed interim un-consolidated financial statements.

10.1.17 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 condensed interim un-consolidated financial statements.

10.1.18 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. 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.

10.1.19 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.

10.1.20 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. 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 condensed interim un-consolidated financial statements.

10.1.21 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.

10.1.22 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.

10.1.23 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.

10.1.24 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.

10.1.25 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.

10.1.26 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.

10.2 Guarantees

	(Rupees in Thousand)	
	September 2024 (Un-audited)	June 2024 (Audited)
Bank Guarantees in favor of:		
The Director Excise and Taxation, Karachi	**828,365**	778,365
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	**15,351**	15,351
Letters of Credit in favor of:		
Sui Southern Gas Company Limited for Gas	**38,300**	38,300
	970,522	920,522

10.3 Commitments

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

Foreign currency:		
Property, plant and equipment	**457,879**	576,401
Raw and packing material	**652,436**	838,897
Spare parts and others	**128,888**	92,163
	1,239,203	1,507,461
Local currency:		
Property, plant and equipment	**53,509**	53,509
Raw material	**255,059**	1,426,605
Spare parts and others	**11,156**	11,156
	319,724	1,491,270
	1,558,927	2,998,731

11 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 subsidiaries and associate. 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 subsidiaries and associate carried at cost less accumulated impairment, if any. The Company does not expect that unobservable inputs may have significant effect on fair values.

12 SEGMENT REPORTING

12.1 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.

12.2 Segment results:

The segment information for the reportable segments for the quarter ended September 30, 2024 is as follows:

(Rupees in Thousand)

	September 2024			September 2023		
	Polyester Filament Yarn	**Polyester PET Preforms**	**Total**	Polyester Filament Yarn	Polyester PET Preforms	Total
External sales	**5,446,472**	**458,176**	**5,904,648**	6,910,314	1,004,039	7,914,353
Segment result before depreciation	**12,661**	**64,401**	**77,062**	92,025	116,194	208,219
Less: Depreciation	**(333,890)**	**(17,318)**	**(351,208)**	(144,110)	(14,681)	(158,791)
Segment result after depreciation	**(321,229)**	**47,083**	**(274,146)**	(52,085)	101,513	49,428
Reconciliation of segment results with Loss before levies and income tax:						
Total results for reportable segments			**(274,146)**			49,428
Other operating expenses			**(24,412)**			(131,440)
Other income			**38,553**			16,181
Finance costs			**(505,217)**			(570,524)
Loss before levies and income tax			**(765,222)**			(636,355)

Assets and liabilities by segments are as follows:

	September 2024 (Un-audited)			June 2024 (Audited)		
	Polyester Filament Yarn	Polyester PET Preforms	Total	Polyester Filament Yarn	Polyester PET Preforms	Total
Segment assets	30,387,496	817,689	31,205,185	28,461,355	814,333	29,275,688
Segment liabilities	13,872,178	285,820	14,157,998	14,207,708	475,089	14,682,797

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

	Assets	Liabilities	Assets	Liabilities
Total for reportable segments	31,205,185	14,157,998	29,275,688	14,682,797
Unallocated	5,508,951	10,107,813	5,313,198	6,618,926
Total as per condensed interim un-consolidated statement of financial position	36,714,136	24,265,811	34,588,886	21,301,723

Other segment information is as follows:

	September 2024			September 2023		
Depreciation	333,890	17,318	351,208	144,110	14,681	158,791
Capital expenditures incurred during the period	319,921	-	319,921	1,405,248	896	1,406,144
Unallocated capital expenditure incurred during the period			700,308			459,365
Total			1,020,229			1,865,509

12.3 98.70% (September 2023: 95.11%) out of total sales of the Company relates to customers in Pakistan.

12.4 All non-current assets of the Company as at September 30, 2024 are located in Pakistan.

12.5 Revenue from major customer individually accounting for more than 10% of the Company's revenue was Rs. 691.453 million (September 2023 Rs. Nil).

13 TRANSACTIONS WITH RELATED PARTIES

The related parties include Subsidiaries, Associates and Other Related Group Companies, Key Management Personnel and Defined Contribution Plan (Provident Fund). The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. Contributions to defined contribution plan (Provident Fund) are made as per the terms of employment. Remuneration of Key Management Personnel is in accordance with their terms of engagements. Details of transactions with related parties are as follows:

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand) Three months ended September 2024	Three months ended September 2023
Gatro Power (Private) Limited	Subsidiary Company	100% ownership	Purchase of power	**1,127,526**	719,790
			Plant operation arrangement	**12,000**	10,500
			Reimbursement of expenses	**14,326**	1,865
G-Pac Energy (Private) Limited	Subsidiary Company	100% ownership	Long term loan disbursed	**1,500**	39,800
			Repayment of long term loan	**12,500**	35,750
			Reimbursement of expenses	**-**	15
Novatex Limited	Related Party	Common directorship	Sales of goods	**226,889**	-
			Rendering of services	**464,564**	43,396
			Acquisition of services	**-**	67,810
			Purchase of raw & other material	**761,797**	356,124
			Rent	**6,593**	5,378
			Reimbursement of expenses	**4,348**	17,762
Krystalite Product (Private) Limited	Related Party	Common key management	Sale of goods	**142**	113,899
Gani & Tayub (Private) Limited	Related Party	Common directorship	Rent	**1,950**	1,950
Gatron Foundation	Related Party	Common directorship	Payment of donation	**-**	3,494
G&T Tyre (Private) Limited	Related Party	Common directorship	Purchase of other material	**321**	544
G-Pac Corporation	Related Party	Common directorship	Sale of goods	**23,886**	-
Nova Mobility (Private) Limited	Related Party	Common directorship	Reimbursement of expenses	**14**	-
Krystosoft (Private) Limited	Related Party	Common key management	Acquisition of services	**50**	-
Gatron (Industries) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	**1,620**	1,506

There are no transactions with Key Management Personnel other than remuneration under their terms of employment amounting to Rs.201.082 million (September 2023: Rs.158.543 million).

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

Outstanding balances, as at reporting date, are disclosed as follows:

	(Rupees in Thousand)	
	As at September 30, 2024 (Un-audited)	**As at June 30, 2024 (Audited)**
Gatro Power (Private) Limited		
Loans and advances	**-**	53,611
Trade and other payables	**16,990**	-
Novatex Limited		
Trade debts	**265,359**	-
Other receivables	**-**	23,192
Trade and other payables	**987,557**	287,471
Krystalite Product (Private) Limited		
Trade debts	**8,684**	15,431
Other receivables	**2,459**	2,459
Gani & Tayub (Private) Limited		
Trade and other payables	**-**	1,300
G-Pac Corporation		
Trade debts	**23,886**	415
G&T Tyre (Private) Limited		
Trade and other payables	**370**	209
Nova Mobility (Private) Limited		
Other receivables	**48**	50
Trade and other payables	**34**	34
Gatron (Industries) Limited Workers Provident Fund		
Trade and other payables	**1,075**	1,103

14 DATE OF AUTHORISATION

These condensed interim un-consolidated financial statements were authorized for issue on October 25, 2024 by the Board of Directors of the Company.

15 CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim un-consolidated statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim un-consolidated statement of profit or loss, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated statement of changes in equity and condensed interim un-consolidated statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

16 GENERAL

16.1 Charge for Workers' Profit Participation Fund, Workers' Welfare Fund, Deferred Tax and Income Tax (where applicable) are interim and final liability will be determined on the basis of annual results.

16.2 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

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 Un-Audited Condensed Interim Consolidated Financial Statements of the Group for the three months ended September 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 three months ended September 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. The operations of the company remain normal during the period.

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 three months ended September 30, 2024 (Rupees in Thousand)

Loss before levies and income tax	(720,265)
Levies and Income tax	77,018
Loss after income tax	(797,283)
Un- appropriated Profit brought forward	1,778,223
Un- appropriated Profit carried forward	980,940
Loss per share - Basic and diluted (Rupees)	(7.33)

State of Affairs as on September 30, 2024

Property, plant and equipment	22,246,906
Other non-current assets	69,666
Current assets	17,556,119
Total assets	39,872,691
Deduct:	
Non-current liabilities	9,775,666
Current liabilities	16,087,192
Total liabilities	25,862,858
Net assets financed by shareholders' equity	14,009,833

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
CHIEF EXECUTIVE OFFICER

MUHAMMAD IQBAL BILWANI
DIRECTOR

October 25, 2024

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	**محمد اقبال بلوانی**
چیف ایگزیکٹو آفیسر	ڈائریکٹر

بتاریخ: 25 اکتوبر 2024ء

ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان،

میسرز گیٹرون (انڈسٹریز) لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 ستمبر 2024ء کو ختم ہونے والی سہ ماہی کے لیے گروپ ہذا کے غیر آڈٹ شدہ مختصر عبوری جامع مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کررہے ہیں۔

گروپ

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

مکمل ملکیتی ذیلی کمپنی میسرز گیٹرو پاور (پرائیویٹ) لمیٹڈ کا بنیادی کاروبار بجلی کی پیداوار اور فروخت ہے۔ دوران مدت کمپنی کے آپریشنز معمول کے مطابق رہے۔

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 سہ ماہی مختتمہ 30 ستمبر 2024ء	
خسارہ قبل از محصولات اور انکم ٹیکس	(720,265)
محصولات اور انکم ٹیکس	77,018
خسارہ بعد از انکم ٹیکس	(797,283)
غیر متصرف منافع گزشتہ (Un- appropriated Profit brought forward)	1,778,223
غیر متصرف منافع حالیہ (Un- appropriated Profit carried forward)	980,940
نقصان فی شیئر بنیادی اور تقسیم شدہ (Loss per share - Basic and diluted) (روپے)	(7.33)
30 ستمبر 2024ء تک معاملات کی صورتحال	
املاک، پلانٹ اور ایکوپمنٹ	22,246,906
دیگر پائیدار اثاثہ جات	69,666
بدل پزیر اثاثہ جات	17,556,119
کل اثاثہ جات	39,872,691
منہاجات:	
پائیدار واجبات	9,775,666
بدل پزیر واجبات	16,087,192
کل واجبات	25,862,858
خالص اثاثہ جات اداشدہ منجانب ایکوئٹی بابتہ حصص یافتگان	14,009,833

Condensed Interim Consolidated Statement of Financial Position
As At September 30, 2024

	Note	September 2024 (Un-audited)	June 2024 (Audited)
		(Rupees in Thousand)	
ASSETS			
Non - Current Assets			
Property, plant and equipment	5	22,246,906	21,533,422
Intangible assets	6	57,646	60,152
Long term loans		5,084	9,532
Long term deposits		6,936	6,936
		22,316,572	21,610,042
Current Assets			
Stores, spare parts and loose tools		2,747,562	2,845,915
Stock in trade		8,890,782	7,503,024
Trade debts	13	3,689,134	3,516,225
Loans and advances		315,060	428,652
Current portion of long term loans		23,372	13,411
Trade deposits and short term prepayments		263,151	83,653
Other receivables	13	997,699	961,506
Advance income tax		-	70,000
Short term investments		296,297	296,297
Cash and bank balances		333,062	340,660
		17,556,119	16,059,343
TOTAL ASSETS		39,872,691	37,669,385
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	1,087,290	1,087,290
Capital reserves		11,656,603	11,656,603
General reserve		285,000	285,000
Unappropriated profit		980,940	1,778,223
		14,009,833	14,807,116
LIABILITIES			
Non - Current Liabilities			
Long term financing		8,341,620	8,507,127
Lease liability against right of use assets		101,981	107,749
Deferred liabilities and income	8	1,332,065	1,343,682
		9,775,666	9,958,558
Current Liabilities			
Trade and other payables	9 & 13	6,665,687	6,358,763
Unclaimed dividend		8,085	8,219
Unpaid dividend		20,801	20,801
Accrued mark-up/ profit		629,560	543,012
Short term borrowings		6,372,161	3,579,563
Current portion of long term financing		1,248,748	1,196,089
Current portion of lease liability against right of use assets		17,390	15,020
Current portion of deferred liabilities and income		982,425	981,914
Provision for income tax less payments		142,335	200,330
		16,087,192	12,903,711
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		39,872,691	37,669,385

The notes 1 to 16 annexed herewith form an integral part of these condensed interim consolidated financial statements.

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

Condensed Interim Consolidated Statement of Profit or Loss (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	(Rupees in Thousand)	
	Jul-2024 to Sep-2024	Jul-2023 to Sep-2023 Restated
Sales	5,904,648	7,914,353
Cost of sales	5,844,206	7,425,343
Gross profit	60,442	489,010
Distribution and selling costs	122,151	83,893
Administrative expenses	171,629	137,987
Other operating expenses	18,688	126,060
	312,468	347,940
	(252,026)	141,070
Other income	47,202	37,415
Operating (loss)/profit	(204,824)	178,485
Finance cost	515,441	605,320
Loss before levies and income tax	(720,265)	(426,835)
Levies	73,616	97,962
Loss before income tax	(793,881)	(524,797)
Income tax - Current	3,402	-
- Deferred	-	5,644
	3,402	5,644
Loss for the period	(797,283)	(530,441)
Loss per share - Basic and diluted (Rupees)	(7.33)	(4.88)

The notes 1 to 16 annexed herewith form an integral part of these condensed interim consolidated financial statements.

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

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	(Rupees in Thousand)	
	Jul-2024 to Sep-2024	Jul-2023 to Sep-2023
Loss for the period	**(797,283)**	(530,441)
Other comprehensive income	**-**	-
Total comprehensive loss	**(797,283)**	(530,441)

The notes 1 to 16 annexed herewith form an integral part of these condensed interim consolidated financial statements.

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

Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

(Rupees in Thousand)

	Share Capital	Capital reserve	General reserve	Unappropriated profit / (Loss)	Total
Balances as at July 01, 2023	767,290	6,383,645	285,000	2,179,798	9,615,733
Total comprehensive loss for the three months ended September 30, 2023					
Loss for the period	-	-	-	(530,441)	(530,441)
Other comprehensive income	-	-	-	-	-
	-	-	-	(530,441)	(530,441)
Balances as at September 30, 2023	767,290	6,383,645	285,000	1,649,357	9,085,292
Total comprehensive income for the nine months ended June 30, 2024					
Profit for the period	-	-	-	90,393	90,393
Other comprehensive income	-	-	-	38,473	38,473
	-	-	-	128,866	128,866
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
Shares 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
Total comprehensive loss for the three months ended September 30, 2024					
Loss for the period	-	-	-	(797,283)	(797,283)
Other comprehensive income	-	-	-	-	-
	-	-	-	(797,283)	(797,283)
Balances as at September 30, 2024	**1,087,290**	**11,656,603**	**285,000**	**980,940**	**14,009,833**

The notes 1 to 16 annexed herewith form an integral part of these condensed interim consolidated financial statements.

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

Condensed Interim Consolidated Statement of Cash Flows (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	(Rupees in Thousand)	
	Jul-2024 to Sep-2024	**Jul-2023 to Sep-2023**
Cash Flows (towards)/from Operating Activities		
Loss before levies and income tax	**(720,265)**	(426,835)
Adjustments for:		
Depreciation	**392,564**	195,258
Depreciation on right of use assets	**6,627**	-
Provision for defined benefit plan	**33,571**	33,410
Gain on disposal of property, plant and equipment	**(3,086)**	(1,178)
Reversal of allowance for ECL-net	**(13,609)**	(2,845)
Impairment allowance for slow moving stores, spare parts and loose tools-net	**8,048**	5,113
Amortization of intangible asset	**2,506**	2,506
Remeasurement gain on discounting of provision for GIDC	**(11,008)**	(30,081)
Finance costs	**515,441**	605,320
	931,054	807,503
	210,789	380,668
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	**90,305**	127,758
Stock in trade	**(1,387,758)**	(2,349,267)
Trade debts	**(159,300)**	(286,938)
Loans and advances	**113,592**	(542,084)
Trade deposits and short term prepayments	**(179,498)**	215,483
Other receivables	**(36,193)**	(421,984)
	(1,558,852)	(3,257,032)
Increase in Trade and other payables	**318,161**	4,051,842
Cash flows (towards)/from operations before following	**(1,029,902)**	1,175,478
(Payments for)/receipts of:		
Long term loans	**(5,513)**	(5,297)
Defined benefit plan	**(4,294)**	(4,523)
Finance costs	**(422,933)**	(121,713)
Income tax	**(65,013)**	(138,324)
Net cash flows (towards)/from operating activities	**(1,527,655)**	905,621
Cash Flows (towards)/from Investing Activities		
Additions in property, plant and equipment	**(1,114,287)**	(1,984,714)
Proceeds from disposal of property, plant and equipment	**4,698**	1,516
Net cash flows towards investing activities	**(1,109,589)**	(1,983,198)
Cash Flows (towards)/from Financing Activities		
Long term financing - proceeds received	**135,215**	447,616
Long term financing - repayments	**(288,675)**	(79,536)
Payments for lease liability against right of use assets	**(9,358)**	-
Short term borrowings - net (fixed term instruments)	**(10,394)**	850,000
Dividend paid	**(134)**	(11,590)
Net cash flows (towards)/from financing activities	**(173,346)**	1,206,490
Net (decrease)/increase in cash and cash equivalents	**(2,810,590)**	128,913
Cash and cash equivalents at the beginning of the period	**(3,074,078)**	(7,290,331)
Cash and cash equivalents at the end of the period	**(5,884,668)**	(7,161,418)
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	**333,062**	548,522
Short term borrowings	**(6,217,730)**	(7,709,940)
	(5,884,668)	(7,161,418)

The notes 1 to 16 annexed herewith form an integral part of these condensed interim consolidated financial statements.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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 the 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 plant of the Parent Company is situated at Plot No.441/49-M2, Sector “M”, H.I.T.E., Main R.C.D. Highway, Hub, District 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 sale 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, District 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 and liaison office of the Subsidiary 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 and liaison office of the Subsidiary Company is situated at 11th Floor, G&T Tower, #18 Beaumont Road, Civil Lines-10, Karachi.

2 BASIS OF PREPARATION

2.1 These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of International Accounting Standards (IAS) 34, interim financial reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies

Act, 2017 have been followed.

2.2 These condensed interim consolidated financial statements are unaudited and do not include all the information and disclosures of the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended June 30, 2024.

2.3 New accounting standards / amendments and IFRS interpretations that are effective for the period ended September 30, 2024

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

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Group's annual accounting period beginning on July 1, 2024; however, these do not have any significant impact on these condensed interim consolidated financial statements, hence not described.

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

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 of restatement on the condensed interim consolidated statement of financial position, the condensed interim consolidated statement of comprehensive income, the condensed interim consolidated statement of changes in equity and earnings / loss per share as a result of this change.

	(Rupees in thousand)		
	Before change in accounting policy	**Impact of adjustment**	**After Change in accounting policy**
Effect on statement of profit or loss			
For the quarter ended September 30, 2024			
Levies	**-**	**(73,616)**	**(73,616)**
Loss before income tax	**(720,265)**	**(73,616)**	**(793,881)**
Income tax	**(77,018)**	**73,616**	**(3,402)**
For the quarter ended September 30, 2023			
Levies	-	(97,962)	(97,962)
Loss before income tax	(426,835)	(97,962)	(524,797)
Income tax	(103,606)	97,962	(5,644)

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

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company, therefore, have not been disclosed in these condensed interim consolidated financial statements.

2.4 Functional and reporting currency

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

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements and estimates made by the management in the preparation of these condensed interim consolidated financial statements were the same as those applied to the audited financial statements as at and for the year ended June 30, 2024.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these condensed interim 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, 2024.

	Note	September 2024 (Un-audited)	June 2024 (Audited)
		(Rupees in Thousand)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**14,958,087**	15,178,047
Capital work in progress	5.2	**7,186,621**	6,229,325
Right of use assets	5.3	**102,198**	108,825
Advance for purchase of land		**-**	17,225
		22,246,906	21,533,422

5.1 Following are the cost of additions and net book value (NBV) of assets disposed off during the period:

Additions at cost during the period including transfer from Capital work in progress

	Three months ended September 2024	Three months ended September 2023
Freehold land	**173,208**	128,902
Building on leasehold land	**-**	1,304
Plant and machinery	**-**	231
Factory equipment	**-**	1,279
Office equipment	**1,008**	-
Motor vehicles	**-**	40,884
	174,216	172,600

	(Rupees in thousand)	
	Three months ended September 2024	Three months ended September 2023
Disposals at NBV during the period		
Plant and machinery	**149**	-
Motor vehicles	**1,463**	338
	1,612	338

5.2 Capital work in progress

Balance as at start of the period	**6,229,325**	12,421,171
Additions	**957,296**	1,813,649
Transfer to operating fixed assets	**-**	(1,535)
Balance as at end of the period	**7,186,621**	14,233,285

5.2.1	Building on leasehold land	**770,946**	1,051,826
	Plant and machinery	**6,415,675**	13,181,459
		7,186,621	14,233,285

5.3 Right of use assets

Rented premises	September 2024 (Un-audited)	June 2024 (Audited)
Balance as at start of the period	**108,825**	-
Additions during the period/year	**-**	132,545
Depreciation for the period/year	**(6,627)**	(23,720)
Balance as at end of the period	**102,198**	108,825

6 INTANGIBLE ASSETS

Software & licences		
Balance as at start of the period	**60,152**	70,177
Amortization during the period/year	**(2,506)**	(10,025)
Balance as at end of the period	**57,646**	60,152

7 SHARE CAPITAL

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

		Note	(Rupees in Thousand) September 2024 (Un-audited)	June 2024 (Audited)
8	**DEFERRED LIABILITIES AND INCOME**			
	Deferred Liabilities			
	Defined benefit plan	**8.1**	**656,208**	626,931
	Deferred income			
	Deferred Income - Government scheme	**8.2**	**675,857**	716,751
			1,332,065	1,343,682

8.1 Defined benefit plan

	September 2024	June 2024
Balance as at start of the period	**626,931**	570,947
Expense for the period/year	**33,571**	131,243
Remeasurement gain	**-**	(38,473)
Payments during the period/year	**(4,294)**	(36,786)
Balance as at end of the period	**656,208**	626,931

8.2 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). 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.

9 TRADE AND OTHER PAYABLES

Trade and other payables includes provision in respect of following:

9.1 The Oil and Gas Regulatory Authority (OGRA) had enhanced gas rate from Rs.488.23 per MMBTU for industrial and Rs.573.28 per MMBTU for captive power to Rs.600 per MMBTU with effect from September 01, 2015. The Group alongwith several other companies filed suit in the 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 (June 2024: Rs.316.797 million). As an abundant precaution, the Group has made total provision of Rs.159.264 million (June 2024: Rs.159.264 million). On October 04, 2018, OGRA has issued another notification to increase gas tariff with effect from September 27, 2018 for different categories which the Group is paying in full as per the notification. In September 2024, the Honorable Single Bench of Sindh High Court decided the case in favor of the Petitioners. SSGCL has filed an appeal before the Double Bench of Sindh High Court agaisnt the decision and the matter is pending for adjudication.

9.2 In August 2013, OGRA had enhanced gas rate from Rs.488.23 per MMBTU to Rs.573.28 per MMBTU for captive power and accordingly, SSGCL started charging rate prescribed for captive power to the Group with effect from September 2013. On December 21, 2015, the Group alongwith several other companies filed suit in the 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 9.1). As an abundant precaution, the Group has made provision of Rs.287.907 million (June 2024: Rs.287.907 million) pertaining to the period of November 2015 to September 2018 and did not create receivable of Rs.240.238 million in respect of period from August 2013 to October 2015. On October 04, 2018, OGRA has issued another notification to increase gas tariff with effect from September 27, 2018 for different categories and the Group is paying full amount of the gas bills as per this notification. In February, 2020, the 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.

9.3 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.828.365 million (June 2024: Rs.778.365 million) in favor of Excise and Taxation Department, in respect of consignments cleared after December 27, 2006 (refer note 10.2). Full provision after December 27, 2006 has been made in these condensed interim 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 (June 2024: Rs.32.500 million) in favor of Excise and Taxation Department, in respect of consignments cleared after April 13, 2018 (refer note 10.2). Full provision after April 13, 2018 has been made in these condensed interim 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 (June 2024: Rs.2.500 million) in favor of Excise and Taxation Department, in respect of consignments cleared (refer note 10.2). Full provision has been made in these condensed interim consolidated financial statements as an abundant precaution.

9.4 The Federal Board of Revenue (FBR) vide SRO 491(I)/2016 dated June 30, 2016 made certain amendments in SRO 1125(I)/2011 dated December 31, 2011 including disallowance of input tax adjustment on packing material of textile products. Consequently, input tax adjustment on packing material of textile product was not being allowed for adjustment with effect from July 01, 2016 till June 30, 2018. On January 16, 2017, the Parent Company had challenged the disallowance of input tax adjustment on packing material in the 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.

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

10 CONTINGENCIES AND COMMITMENTS

The detail of contingencies and commitments as at reporting date are as follows:

10.1 Contingencies

10.1.1 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.

10.1.2 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 for adjudication.

10.1.3 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 from June 2015 to July 2020 as an abundant precaution.

10.1.4 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.44.581 million (June 2024: Rs.42.340 million) has been made in these condensed interim consolidated financial statements.

10.1.5 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. 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 condensed interim consolidated financial statements as the Parent Company is confident that the matter will be decided in favor by the appellate authorities.

10.1.6 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.

10.1.7 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.

10.1.8 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 condensed interim consolidated financial statements.

10.1.9 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 condensed interim consolidated financial statements.

10.1.10 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 condensed interim consolidated financial statements.

10.1.11 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 (2024: Rs.15.351 million), refer note 10.2. Moreover, through Finance Act, 2020 this levy has been withdrawn from manufacturer w.e.f. July 01, 2020.

10.1.12 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 condensed interim consolidated financial statements.

10.1.13 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 condensed interim consolidated financial statements.

10.1.14 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. 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 condensed interim consolidated financial statements.

10.1.15 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.

10.1.16 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 condensed interim consolidated financial statements.

10.1.17 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. 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 condensed interim consolidated financial statements.

10.1.18 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 condensed interim consolidated financial statements.

10.1.19 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. 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.

10.1.20 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.

10.1.21 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. 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 condensed interim consolidated financial statements.

10.1.22 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.

10.1.23 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.

10.1.24 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.

10.1.25 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.

10.1.26 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.

10.1.27 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.

10.1.28 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.

10.1.29 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 condensed interim consolidated financial statements.

10.1.30 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 condensed interim consolidated financial statements.

10.1.31 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 condensed interim consolidated financial statements.

10.1.32 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.

	(Rupees in Thousand)	
	September 2024 (Un-audited)	June 2024 (Audited)

10.2 Guarantees

Bank Guarantees in favor of:		
The Director Excise and Taxation, Karachi	**863,365**	813,365
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	**15,351**	15,351
Letters of Credit in favor of:		
Sui Southern Gas Company Limited for Gas	**470,300**	470,300
	1,437,522	1,387,522

10.3 Commitments

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

Foreign currency:		
Property, plant and equipment	**457,879**	576,401
Raw material and packing material	**652,436**	838,897
Spare parts and others	**148,444**	161,027
	1,258,759	1,576,325
Local currency:		
Property, plant and equipment	**53,509**	53,509
Raw material	**255,059**	1,426,605
Spare parts and others	**11,156**	11,156
	319,724	1,491,270
	1,578,483	3,067,595

11 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.

12 SEGMENT REPORTING

12.1 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.

12.2 Segment results:

The segment information for the reportable segments for the quarter ended September 30, 2024 is as follows:

(Rupees in Thousand)

	September 2024					September 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	5,446,472	458,176	5,904,648	1,127,526	7,032,174	6,910,314	1,004,039	7,914,353	719,790	8,634,143
Segment result before depreciation	12,661	64,401	77,062	82,164	159,226	92,025	116,194	208,219	254,169	462,388
Less: Depreciation	(333,890)	(17,318)	(351,208)	(41,356)	(392,564)	(144,110)	(14,681)	(158,791)	(36,467)	(195,258)
Segment result after depreciation	(321,229)	47,083	(274,146)	40,808	(233,338)	(52,085)	101,513	49,428	217,702	267,130
Reconciliation of segment sales and results with sales and Loss before levies and income tax:										
Total sales for reportable segments					7,032,174					8,634,143
Elimination of inter-segment sales from subsidiary company Messrs. Gatro Power (Private) Limited					(1,127,526)					(719,790)
Sales					5,904,648					7,914,353
Total results for reportable segments			(274,146)	40,808	(233,338)			49,428	217,702	267,130
Other operating expenses			(24,412)	(2,273)	(26,685)			(131,440)	(2,709)	(134,149)
Other income			38,553	24,975	63,528			16,181	26,875	43,056
Finance costs			(505,217)	(26,550)	(531,767)			(570,524)	(40,437)	(610,961)
			(765,222)	36,960	(728,262)			(636,355)	201,431	(434,924)
Elimination of intra group transaction					7,997					8,089
Loss before levies and income tax					(720,265)					(426,835)

Assets and liabilities by segments are as follows:

	September 2024 (Un-audited)					June 2024 (Audited)				
Segment assets	30,387,496	817,869	31,205,365	4,113,382	35,318,747	28,461,355	814,558	29,275,913	4,075,586	33,351,499
Segment liabilities	13,872,178	285,850	14,158,028	2,048,196	16,206,224	14,207,708	475,164	14,682,872	2,038,916	16,721,788

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

	Assets	Liabilities	Assets	Liabilities
Total for reportable segments	35,318,747	16,206,224	33,351,499	16,721,788
Unallocated	5,508,951	10,107,813	5,313,198	6,618,926
Elimination of intra group balances	(955,007)	(451,179)	(995,312)	(478,445)
Total as per condensed interim consolidated statement of financial position	39,872,691	25,862,858	37,669,385	22,862,269

Other segment information is as follows:

	September 2024					September 2023				
Depreciation	333,890	17,318	351,208	41,356	392,564	144,110	14,681	158,791	36,467	195,258
Capital expenditures incurred during the year	319,921	-	319,921	94,058	413,979	1,405,248	896	1,406,144	119,205	1,525,349
Unallocated capital expenditure incurred during the year					700,308					459,365
Total					1,114,287					1,984,714

12.3 All non-current assets of the Group as at September 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.

12.4 Revenue from major customer individually accounting for more than 10% of the Group's revenue was Rs. 691.453 million (September 2023 Rs. Nill).

13 TRANSACTIONS WITH RELATED PARTIES

The related parties include Associate and Other Related Group Companies, Key Management Personnel and Defined Contribution Plans (Provident Funds). The Group continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rate agreed under a contract / arrangement / agreement. Contributions to defined contribution plan (Provident Funds) are made as per the terms of employment. Remuneration of Key Management Personnel is in accordance with their terms of engagements. Details of transactions with related parties are as follows:

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Rupees in Thousand) Three months ended September 2024	Three months ended September 2023
Novatex Limited	Related Party	Common directorship	Sales of goods	**226,889**	-
			Rendering of services	**464,564**	43,396
			Acquisition of services	**-**	67,810
			Purchase of raw & other material	**761,797**	356,124
			Rent	**6,593**	5,378
			Reimbursement of expenses	**4,348**	17,762
Krystalite Product (Private) Limited	Related Party	Common key management	Sale of goods	**142**	113,899
Gani & Tayub (Private) Limited	Related Party	Common directorship	Rent	**1,950**	1,950
Gatron Foundation	Related Party	Common directorship	Payment of donation	**-**	3,494
G&T Tyre (Private) Limited	Related Party	Common directorship	Purchase of other material	**321**	544
G-Pac Corporation	Related Party	Common directorship	Sale of goods	**23,886**	-
Nova Mobility (Private) Limited	Related Party	Common directorship	Reimbursement of expenses	**14**	-
Krystosoft (Private) Limited	Related Party	Common key management	Acquisition of services	**50**	-
Gatron (Industries) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	**1,620**	1,506

There are no transactions with Key Management Personnel other than remuneration under their terms of employment amounting to Rs.204.755 million (September 2023: Rs.161.381 million).

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

Outstanding balances, as at reporting date, are disclosed as follows:

	(Rupees in Thousand) As at September 30, 2024 (Un-audited)	As at June 30, 2024 (Audited)
Novatex Limited		
Trade debts	**265,359**	-
Other receivables	**-**	23,192
Trade and other payables	**987,557**	287,471
Krystalite Product (Private) Limited		
Trade debts	**8,684**	15,431
Other receivables	**2,459**	2,459

	As at September 30, 2024 (Un-audited)	As at June 30, 2024 (Audited)
	(Rupees in Thousand)	
Gani & Tayub (Private) Limited		
Trade and other payables	-	1,300
G-Pac Corporation		
Trade debts	**23,886**	415
G&T Tyre (Private) Limited		
Trade and other payables	**370**	209
Nova Mobility (Private) Limited		
Other receivables	**48**	50
Trade and other payables	**34**	34
Gatron (Industries) Limited Workers Provident Fund		
Trade and other payables	**1,075**	1,103

14 DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorized for issue on October 25, 2024 by the Board of Directors of the Parent Company.

15 CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim consolidated statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

16 GENERAL

16.1 Charge for Workers' Profit Participation Fund, Workers' Welfare Fund, Deferred Tax and Income Tax (where applicable) are interim and final liability will be determined on the basis of annual results.

16.2 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.

Gatron