

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the half yearly report of Gatron (Industries) Limited for the period ended December 31, 2025, along with the un-audited financial statements duly reviewed by the external auditors.

FINANCIAL REVIEW:

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

- Net sales Rs.13,529 million,
- EBITDA Rs.1,005 million,
- Operating profit Rs.98 million,
- Loss before levies and income tax Rs.570 million,

The Company achieved an operating profit of Rs.98 million for the reporting period, however the loss before levies and income tax for the period ended December 31, 2025, amounted to Rs.570 million compared to Rs.1,339 million loss in the corresponding period last year.

Net revenue for the period is Rs.13,529 million, up 3% from Rs.13,124 million in the previous correspondence period.

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

The persistent dumping and evasion of dumping duty besides above noted price suppression have so far compelled the Company to operate at substantially diminished capacity utilization. So besides the price margin recovery, the aim is also to increase operating rates without landing in a situation of increased inventory and the resulting inventory carrying cost. Insha Allah the price recovery and the gradual increase in operating capacity will improve the bottom line for the Yarn segment. However, increased energy costs are affecting bottom line of the Company. The imposition of off-grid captive levy on gas and petroleum levy on HFO has made producing power from these sources very expensive and also made investment of over Rs.3 billion by the Company not fully utilized. The Company is taking various steps to decrease its energy costs by investing in further renewable energy as well as grid stabilizing equipment to utilize the available grid power which is now costing lower than gas based captive power.

The misuse of duty-free imports under the Export Facilitation Scheme (EFS) for local sales and misdeclaration of DTY as FDY to take advantage of reduced duty in some instances also put pressure on market prices.

COST SAVING AND OTHER INITIATIVES:

Besides many cost saving initiatives which were completed at the start of this financial year, Management is actively pursuing several other cost-saving projects to improve profitability, including:

- Expansion of existing solar and batteries to increase power capacities and to reduce energy costs.
- Power grid stabilization equipment to reduce energy costs.
- Evaluation of wind power capacities as well as other initiatives to reduce power cost.
- Enhancing labor efficiency through time and motion studies.
- Promoting diversified products in the market.

EXPENSES AND FINANCING:

Distribution and selling expenses decreased by 39% compared to last correspondence period, whereas administrative expenses decreased by 5%. Finance costs also decreased by Rs.243 million. Efforts continue to reduce inventory and receivables.

On the balance sheet front, compared to June 30, 2025:

- Stocks decreased by Rs.594 million to Rs.6,719 million, with further reduction expected in coming periods.
- Debtors decreased by Rs.434 million to Rs.4,229 million,
- Creditors increased by Rs.2,089 million to Rs.6,639 million.
- Short-term borrowings were reduced by Rs.2,068 million to Rs.4,841 million.

CHALLENGES AND FUTURE OUTLOOK:

- The NTC in June 2025 imposed final Anti-Dumping Duties on PFY import from China with 3 suppliers at 5.35%, 6.79% and 9.67% while all other suppliers being above 13%. As noted above the focus of the Company now is effective enforcement and collection of duties or in case of stay orders the collection of bank guarantees which is a continuous effort. To put a perspective on the rate of 5.35% to 9.67% ADD on 3 suppliers in Pakistan, noted below are ADD imposed on Chinese exporters of Polyester Filament Yarn in other countries:
 - by Turkey minimum of 20% or \$268-\$351 per ton
 - by India of minimum 23%
 - by the USA ranging from 76% to 77%
 - by Vietnam minimum one producer at 3.36% but all others above 10% (and max 21.2%)
 - by Brazil \$57.85 – 585.70/ton (4.35% - 44%)
 - by Mexico \$532/ton (40%)

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

From October 2023 to November 2025 India had 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. However, India allowed Chinese PFY to be imported under Export Bond Scheme for processing and export. So effectively it was not for quality/standards but to prevent the injury to the local PFY industry by the excess Chinese dumping.

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

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

- With recovery in prices through collection of dumping duty on imports by pay order or Bank guarantee (in case of stay order) from October 2025 onwards as well as through energy and other cost reductions, the results of ensuing quarters is expected to be better. And the overall result of the ongoing financial year will Insha Allah be much better than the previous year.

OTHER MATTERS:

- Our wholly owned subsidiaries, Gatro Power (Private) Limited and G-Pac Energy (Private) Limited, continue normal operations generating and selling electric power.
- Global Synthetics Limited, another wholly owned subsidiary, has yet to commence operations.

SCHEME OF ARRANGEMENT

The Board of Directors of Gatron (Industries) Limited on January 28, 2026 have resolved to authorize the Company to enter into a Scheme of Arrangements ("Scheme") with Nova Frontiers Limited ("NFL") and Ghani & Tayub (Private) Limited ("G&T"), subject to the necessary approval by the Honorable High Court of Balochistan at Quetta and the Shareholders of the respective companies.

Under the proposed Scheme:

1. NFL will cancel the shares held by the certain categories of shareholders (collectively referred to as the "Outgoing Shareholders"), resulting in a corresponding reduction in NFL's share capital. As consideration for the aforesaid, the 29.33% shareholding of Gatron, currently held by NFL will be cancelled upto the ratio determined through valuation and new shares of Gatron will be issued to the Outgoing Shareholders/Beneficial Owners of Outgoing Shareholders of NFL in lieu of cancellation of their shareholding in NFL on the basis of SWAP ratio to be determine by the Professional Valuer.
2. Gatron will cancel 2.98% shareholding (comprising 3,240,774 shares) currently held by the G&T, and will issue new shares of the Company directly to the shareholders of G&T.

APPROPRIATION

The Board of Directors of the Company does not recommend any interim cash dividend for the six-month period ended December 31, 2025.

EARNING/(LOSS) PER SHARE

The loss per share of the Company for the six months period ended on December 31, 2025, is Rs.6.79.

MATERIAL CHANGES AND COMMITMENTS

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed interim consolidated financial statements of the Group along with notes and directors' report thereto have also been included in this report.

AUDITORS' REVIEW REPORT

The Auditors of the Company, M/s. Kreston Hyder Bhimji & Co. Chartered Accountants, have issued an unqualified review report to the members of the Company on financial statements for the half year ended December 31, 2025.

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 sincere appreciation to all stakeholders for their continued trust and confidence in the Company. We are truly grateful for the ongoing cooperation and support received over the years and remain confident that this strong partnership will endure. We also wish to thank every member of the Company for their dedication, innovation, and commitment. Your contributions are vital to our continued success. In addition, we extend our gratitude to Government Institutions, Auditors, SECP, PSX, and our Banking partners for their valuable guidance and support, which have played a key role in the Company's growth and development. Thank you for your steadfast partnership and support.



SHABBIR DIWAN
CHIEF EXECUTIVE OFFICER



MUHAMMAD IQBAL BILWANI
DIRECTOR

Dated: February 28, 2026

GATRON (INDUSTRIES) LIMITED
REVIEW OF CONDENSED INTERIM
UN-CONSOLIDATED
FINANCIAL STATEMENTS
DECEMBER 31, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Gatron (Industries) Limited
Report on Review of Condensed Interim Un-consolidated financial statements

Introduction:

We have reviewed the accompanying condensed interim un-consolidated statement of financial position of **GATRON (INDUSTRIES) LIMITED** ("the Company") as at December 31, 2025, and the related 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 and notes to the financial statements for the half year ended (here-in-after referred to as the "condensed interim un-consolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim un-consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim un-consolidated financial statements based on our review.

Scope of Review:

We conducted our review in accordance with the International Standard on Review engagements 2410, "Review of condensed Interim financial information Performed by the Independent Auditor of the Entity". A review of condensed Interim un-consolidated financial statements consists of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

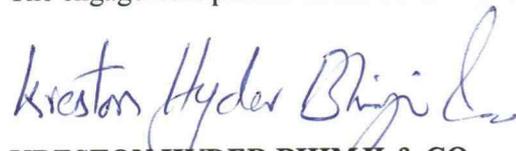
Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim un-consolidated financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter:

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim un-consolidated statement of profit or loss and condensed interim un-consolidated statement of comprehensive income for the three months ended December 31, 2025 have not been reviewed by us.

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



KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Karachi: March 03, 2026
UDIN: RR202510729G31KQPBfR

GATRON (INDUSTRIES) LIMITED

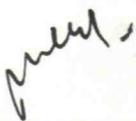
 CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2025

		(Rupees in Thousand)	
		December 2025 (Un-audited)	June 2025 (Audited)
	Note		
ASSETS			
Non - Current Assets			
Property, plant and equipment	5	17,871,490	18,448,334
Intangible asset	6	45,114	50,127
Long term investments	7	415,552	443,964
Long term loans		202,778	182,672
Long term deposits		6,936	6,936
		18,541,870	19,132,033
Current Assets			
Stores, spare parts and loose tools		2,005,321	2,098,667
Stock in trade	8	6,719,325	7,313,274
Trade debts	16	4,229,129	4,662,811
Loans and advances	16	208,136	572,899
Current portion of long term loans		20,816	18,874
Trade deposits and short term prepayments		93,465	9,362
Other receivables	16	681,439	309,016
Advance income tax		-	50,000
Short term investment	9	350,000	-
Cash and bank balances		63,727	119,941
		14,371,358	15,154,844
TOTAL ASSETS		32,913,228	34,286,877
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	1,087,290	1,087,290
Reserves		9,542,154	10,285,299
		10,629,444	11,372,589
LIABILITIES			
Non - Current Liabilities			
Long term financing		7,064,323	7,628,310
Lease liability against right of use assets		59,182	71,666
Deferred liabilities and income	11	1,188,464	1,225,486
		8,311,969	8,925,462
Current Liabilities			
Trade and other payables	12 & 16	6,639,390	4,550,612
Unclaimed dividend		775	853
Unpaid dividend		20,801	20,801
Accrued mark-up/ profit		460,853	480,103
Short term borrowings		4,840,725	6,909,208
Current portion of long term financing		1,540,941	1,488,520
Current portion of lease liability against right of use assets		26,627	23,322
Current portion of deferred liabilities and income		241,002	248,026
Provision for levies and income tax less payments		200,701	267,381
		13,971,815	13,988,826
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		32,913,228	34,286,877

The notes 1 to 20 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.



SHABBIR DIWAN
Chief Executive Officer



MUHAMMAD IQBAL BILWANI
Director

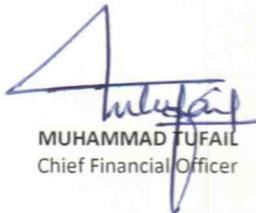


MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITEDCONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Rupees in Thousand)			
	Oct-2025 to Dec-2025	Oct-2024 to Dec-2024	Jul-2025 to Dec-2025	Jul-2024 to Dec-2024
Sales	6,287,022	7,219,643	13,528,614	13,124,291
Cost of sales	6,057,121	7,160,007	13,094,279	13,049,481
Gross profit	229,901	59,636	434,335	74,810
Distribution and selling costs	79,718	145,343	163,277	267,494
Administrative expenses	132,131	96,900	251,681	264,069
Other expenses	48,913	6,051	72,481	30,463
	260,762	248,294	487,439	562,026
	(30,861)	(188,658)	(53,104)	(487,216)
Other income	85,164	20,060	150,938	58,613
Operating profit/(loss)	54,303	(168,598)	97,834	(428,603)
Finance cost	319,893	405,498	667,666	910,715
Loss before levies and income tax	(265,590)	(574,096)	(569,832)	(1,339,318)
Levies - current & prior	78,381	91,576	168,656	165,192
Loss before income tax	(343,971)	(665,672)	(738,488)	(1,504,510)
Income tax - Prior	-	563	-	563
Loss for the period	(343,971)	(666,235)	(738,488)	(1,505,073)
Loss per share - Basic and diluted (Rupees)	(3.16)	(6.13)	(6.79)	(13.84)

The notes 1 to 20 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.


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

GATRON (INDUSTRIES) LIMITEDCONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Rupees in Thousand)			
	Oct-2025 to Dec-2025	Oct-2024 to Dec-2024	Jul-2025 to Dec-2025	Jul-2024 to Dec-2024
Loss for the period	(343,971)	(666,235)	(738,488)	(1,505,073)
Other comprehensive income				
<i>Items that will never be reclassified to statement of profit or loss</i>				
Loss on remeasurement of defined benefit plan having nil tax impact	(4,657)	-	(4,657)	-
Total comprehensive loss	<u>(348,628)</u>	<u>(666,235)</u>	<u>(743,145)</u>	<u>(1,505,073)</u>

The notes 1 to 20 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.


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

GATRON (INDUSTRIES) LIMITED

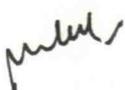
CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Rupees in Thousand)				Total
	Share capital	Capital reserves	Reserves (Accumulated loss)/ Unappropriated profit	Sub Total	
Balances as at July 01, 2024	1,087,290	11,656,603	543,270	12,199,873	13,287,163
Total comprehensive loss for the six months period ended December 31, 2024					
Loss for the period	-	-	(1,505,073)	(1,505,073)	(1,505,073)
Other comprehensive income	-	-	-	-	-
	-	-	(1,505,073)	(1,505,073)	(1,505,073)
Balances as at December 31, 2024	1,087,290	11,656,603	(961,803)	10,694,800	11,782,090
Total comprehensive loss for the six months period ended June 30, 2025					
Loss for the period	-	-	(466,050)	(466,050)	(466,050)
Other comprehensive income	-	-	56,549	56,549	56,549
	-	-	(409,501)	(409,501)	(409,501)
Balances as at June 30, 2025	1,087,290	11,656,603	(1,371,304)	10,285,299	11,372,589
Total comprehensive loss for the six months period ended December 31, 2025					
Loss for the period	-	-	(738,488)	(738,488)	(738,488)
Other comprehensive loss	-	-	(4,657)	(4,657)	(4,657)
	-	-	(743,145)	(743,145)	(743,145)
Balances as at December 31, 2025	1,087,290	11,656,603	(2,114,449)	9,542,154	10,629,444

The notes 1 to 20 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.


SHABBIR DIWAN
 Chief Executive Officer


MUHAMMAD IQBAL BILWANI
 Director


MUHAMMAD TUFAIL
 Chief Financial Officer

GATRON (INDUSTRIES) LIMITED

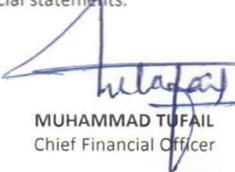
CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Rupees in Thousand)	
	Jul-2025 to Dec-2025	Jul-2024 to Dec-2024
Cash Flows from/(towards) Operating Activities		
Loss before levies and income tax	(569,832)	(1,339,318)
Adjustments for non cash income and expenses:		
Depreciation on property, plant and equipment	894,928	714,123
Depreciation on right of use assets	12,320	13,254
Amortization of intangible asset	5,013	5,013
Provision for defined benefit plan	70,629	66,686
Gain on disposal of property, plant and equipment	(12,080)	(7,577)
Impairment in long term investments	28,412	13,405
Impairment/(reversal) of allowance for ECL-net	43,498	(52)
Impairment allowance for slow moving stores, spare parts and loose tools-net	269	9,861
Amortization of interest free long term loan to subsidiary company	(17,432)	(32,999)
Remeasurement gain on discounting of provision for GIDC	-	(1,173)
Finance costs	667,666	910,715
	<u>1,693,223</u>	<u>1,691,256</u>
	1,123,391	351,938
Decrease/(increase) in current assets:		
Stores, spare parts and loose tools	93,077	132,981
Stock in trade	593,949	1,294,034
Trade debts	390,184	(429,420)
Loans and advances	364,763	285,475
Trade deposits and short term prepayments	(84,103)	(32,944)
Other receivables	(372,423)	641,449
	985,447	1,891,575
Increase/(decrease) in trade and other payables	2,088,778	(849,190)
Cash flows from operations	<u>4,197,616</u>	<u>1,394,323</u>
(Payments for)/receipt of:		
Long term loans	(4,616)	18,860
Defined benefit plan	(38,021)	(10,655)
Finance costs	(677,749)	(832,963)
Income tax	(179,703)	(54,588)
Group taxation impact	(5,633)	(1,975)
Net cash flows from operating activities	<u>3,291,894</u>	<u>513,002</u>
Cash flows (towards)/from Investing Activities		
Additions in property, plant and equipment	(341,684)	(1,166,293)
Proceeds from disposal of property, plant and equipment	23,360	19,838
Net cash flows towards investing activities	<u>(318,324)</u>	<u>(1,146,455)</u>
Cash flows (towards)/from Financing Activities		
Long term financing - proceeds received	108,797	141,463
Long term financing - repayments	(701,674)	(494,026)
Payments for lease liability against right of use assets	(18,346)	(18,994)
Short term borrowings - net (fixed term instruments)	(157,434)	1,463,775
Dividend paid	(78)	(152)
Net cash flows (towards)/from financing activities	<u>(768,735)</u>	<u>1,092,066</u>
Net increase in cash and cash equivalents	2,204,835	458,613
Cash and cash equivalents at the beginning of the period	<u>(6,481,833)</u>	<u>(3,117,730)</u>
Cash and cash equivalents at the end of the period	<u>(4,276,998)</u>	<u>(2,659,117)</u>
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Short term investment	350,000	-
Cash and bank balances	63,727	145,061
Short term borrowings	(4,690,725)	(2,804,178)
	<u>(4,276,998)</u>	<u>(2,659,117)</u>

The notes 1 to 20 annexed herewith form an integral part of these condensed interim un-consolidated financial statements.


SHABBIR DIWAN
Chief Executive Officer


MUHAMMAD IQBAL BILWANI
Director


MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITED

NOTES TO THE CONDENSED INTERIM UN-CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1 THE COMPANY AND ITS OPERATIONS

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

1.2 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 is engaged in power generation.

1.3 The Board of Directors of Gatron (Industries) Limited on January 28, 2026 have resolved to authorize the Company to enter into a Scheme of Arrangements ("Scheme") with Nova Frontiers Limited ("NFL") and Ghani & Tayub (Private) Limited ("G&T"), subject to the necessary approval by the Honorable High Court of Balochistan at Quetta and the Shareholders of the respective companies.

- (i) NFL will cancel the shares held by the certain categories of shareholders (collectively referred to as the "Outgoing Shareholders"), resulting in a corresponding reduction in NFL's share capital. As consideration for the aforesaid, the 29.33% shareholding of Gatron, currently held by NFL will be cancelled upto the ratio determined through valuation and new shares of Gatron will be issued to the Outgoing Shareholders/Beneficial Owners of Outgoing Shareholders of NFL in lieu of cancellation of their shareholding in NFL on the basis of SWAP ratio to be determine by the Professional Valuer.
- (ii) Gatron will cancel 2.98% shareholding (comprising 3,240,774 shares) currently held by the G&T, and will issue new shares of the Company directly to the shareholders of G&T.

2 BASIS OF 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, 2025.

2.4 The figures included in the condensed interim un-consolidated statement of profit or loss and condensed interim un-consolidated statement of comprehensive income for the quarter ended December 31, 2025 and 2024 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half year ended December 31, 2025 and 2024.

2.5 New accounting standards / amendments and IFRS interpretations that are effective for the half year ended December 31, 2025

2.5.1 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, 2025; however, these do not have any significant impact on these condensed interim un-consolidated financial statements, hence not described.

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2.5.2 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, 2025. 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.

2.6 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, 2025.

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 audited financial statements of the Company for the year ended June 30, 2025.

	Note	(Rupees in Thousand)	
		December 2025 (Un-audited)	June 2025 (Audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	17,238,462	17,734,041
Capital work in progress	5.2	568,641	637,586
Right of use assets	5.3	64,387	76,707
		<u>17,871,490</u>	<u>18,448,334</u>
5.1 Operating fixed assets			
Balance as at start of the period/year		17,734,041	13,803,433
Additions during the period/year		112,925	245,390
Transferred from capital work in progress during the period/year		297,704	5,226,763
		410,629	5,472,153
Disposal during the period/year		(11,280)	(24,745)
Depreciation for the period/year		(894,928)	(1,516,800)
Balance as at end of the period/year		<u>17,238,462</u>	<u>17,734,041</u>

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

Additions to operating fixed assets at cost during the period including transfer from Capital work in progress

	(Rupees in Thousand)	
	Half year ended December 2025	Half year ended December 2024
Freehold Land	-	169,525
Building on freehold land	-	283,141
Plant and machinery	389,508	1,043,253
Factory equipment	3,227	4,524
Office equipment	-	1,009
Motor vehicles	17,894	20,633
	<u>410,629</u>	<u>1,522,085</u>
Disposals of operating fixed assets at NBV during the period		
Plant and machinery	514	149
Motor vehicles	10,766	12,112
	<u>11,280</u>	<u>12,261</u>
Depreciation on property, plant and equipment	<u>894,928</u>	<u>714,123</u>

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		(Rupees in Thousand)	
		Half year ended December 2025	Half year ended December 2024
5.2	Capital work in progress		
	Balance as at start of the period	637,586	4,848,559
	Additions during the period	228,759	982,222
	Transfer to operating fixed assets during the period	(297,704)	(1,320,789)
	Balance as at end of the period	<u>568,641</u>	<u>4,509,992</u>
5.2.1	Breakup of capital work in progress		
	Factory building under construction	-	403,406
	Plant and machinery under erection	568,641	4,106,586
		<u>568,641</u>	<u>4,509,992</u>
		(Rupees in Thousand)	
		December 2025 (Un-audited)	June 2025 (Audited)
5.3	Right of use assets		
	Rented premises		
	Balance as at start of the period/year	76,707	108,825
	Effect of lease modification during the period/year	-	(7,479)
	Depreciation for the period/year	(12,320)	(24,639)
	Balance as at end of the period/year	<u>64,387</u>	<u>76,707</u>
6	INTANGIBLE ASSET		
	Software and licences		
	Balance as at start of the period/year	50,127	60,152
	Amortization during the period/year	(5,013)	(10,025)
	Balance as at end of the period/year	<u>45,114</u>	<u>50,127</u>
7	LONG TERM INVESTMENTS		
	Wholly Owned Subsidiary Companies-Unquoted		
	22.575 million (June 2025: 22.575 million) shares including 7.525 million bonus shares in Messrs. Gatro Power (Private) Limited	7.1 150,500	150,500
	55,000 (June 2025: 55,000) shares in Messrs. Global Synthetics Limited	7.2 550	550
	Impairment loss	7.3 (449)	(449)
		101	101
	25 million (June 2025: 25 million) shares in Messrs. G-Pac Energy (Private) Limited	7.4 250,000	250,000
	Present value discounting impact of interest free long term loan to Messrs. G-Pac Energy (Private) Limited	7.5 210,288	210,288
	Impairment loss	7.6 (195,337)	(166,925)
		<u>264,951</u>	<u>293,363</u>
		<u>415,552</u>	<u>443,964</u>
7.1	The value of investment on the basis of the net assets, as reported in its audited financial statements as at December 31, 2025 amounted to Rs.1,570.555 million (June 2025: Rs.1,634.244 million).		
7.2	The value of the investment on the basis of the net assets, as reported in its audited financial statements as at December 31, 2025 amounted to Rs.101 thousand (June 2025: Rs.101 thousand).		

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		(Rupees in Thousand)	
		December 2025 (Un-audited)	June 2025 (Audited)
7.3	Impairment loss		
	Balance as at start of the period/year	449	400
	Charge for the period/year	-	49
	Balance as at end of the period/year	<u>449</u>	<u>449</u>
7.4	The value of the investment on the basis of the net assets, as reported in its audited financial statements as at December 31, 2025 amounted to Rs.264.951 million (June 2025: Rs.293.363 million).		
7.5	This represents difference between receipt value and present value at the time of disbursement at relevant risk free rate of interest free loan given to Subsidiary Company.		
7.6	Impairment loss		
	Balance as at start of the period/year	166,925	113,103
	Charge for the period/year	28,412	53,822
	Balance as at end of the period/year	<u>195,337</u>	<u>166,925</u>
8	STOCK IN TRADE		
	These include items costing Rs.94.520 million (June 2025: Rs.78.767 million) valued at net realizable value of Rs.75.237 million (June 2025: Rs.60.889 million).		
9	SHORT TERM INVESTMENT	<u>350,000</u>	-
	Term deposit receipt -Shariah compliant		
	This carries profit rate @10% and matured on January 15, 2026.		
10	SHARE CAPITAL		
	(Number of Shares)		
	December 2025 (Un-audited)	June 2025 (Audited)	
10.1	Authorized capital		
	<u>130,000,000</u>	130,000,000	Ordinary shares of Rs. 10 each
		<u>1,300,000</u>	<u>1,300,000</u>
10.2	Issued, subscribed and paid up capital		
	62,136,080	62,136,080	Ordinary shares of Rs.10 each allotted for consideration paid in cash
	46,592,880	46,592,880	Ordinary shares of Rs.10 each allotted as fully paid bonus shares
	<u>108,728,960</u>	<u>108,728,960</u>	
		<u>621,361</u>	621,361
		<u>465,929</u>	465,929
		<u>1,087,290</u>	<u>1,087,290</u>
11	DEFERRED LIABILITIES AND INCOME		
	Deferred Liabilities		
	Defined benefit plan	11.1	707,168
			669,903
	Deferred income		
	Deferred Income - Government scheme	11.2	481,296
			555,583
		<u>1,188,464</u>	<u>1,225,486</u>
11.1	Defined benefit plan		
	Balance as at start of the period/year	669,903	624,077
	Charge for the period/year	70,629	143,848
	Remeasurement loss/(gain)	4,657	(56,549)
	Payments during the period/year	(38,021)	(41,473)
	Balance as at end of the period/year	<u>707,168</u>	<u>669,903</u>

11/22

11.2 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.

12 TRADE AND OTHER PAYABLES

There are no material changes in the status of provisions includes in trade and other payables as reported in the annual audited financial statements for the year ended June 30, 2025.

13 CONTINGENCIES AND COMMITMENTS

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

13.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual audited financial statements for the year ended June 30, 2025, except for the following:

- 13.1.1 The Company had filed petition no. D-557 and D-2656 before the Honorable Sindh High Court wherein the Company had challenged the notice requiring to pay Super Tax for tax year 2018 amounting to Rs.28.187 million and 2019 Rs.31.444 million respectively. The Honorable Sindh High Court has decided the matter against the Company. The Company has filed petition no. 2307 of 2020 and 2308 of 2020 before the Honorable Supreme Court of Pakistan against the judgement of the Honorable Sindh High Court, which has been decided by the Federal Constitutional Court of Pakistan that the Super Tax is intra vires the Constitution. The amount of Super Tax has been fully provided in these condensed interim un-consolidated financial statements.
- 13.1.2 The Company has filed a petition no. CP No.D-8011/2022 dated December 23, 2022 before the Honorable Sindh High Court against the levy of Super Tax under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022. The Honorable Sindh High Court held that the Super Tax is not applicable for the tax year 2022. However, the Tax Department has filed petition before the Honorable Supreme Court of Pakistan and has issued interim order whereby the Honorable Supreme Court has directed to pay Super Tax to the extent of 4% in other C.P. no. 3825 and 3909 of 2022. Therefore, the 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. Now the Federal Constitutional Court of Pakistan has decided that the Super Tax matter is intra vires the Constitution. The amount of Super Tax has been fully provided in these condensed interim un-consolidated financial statements.
- 13.1.3 The Tax Department disallowed expenses of Rs.74 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2022. However, no income tax demand was raised owing to tax refundable position both before and after amendment of assessment proceedings. The Company's appeal is reserved for order before the CIRA. Based on the merits of the case, the management is confident that the case will be decided in favor of the Company.
- 13.1.4 The Commissioner of Balochistan Revenue Authority (BRA) has raised demand of Rs.342.5 million on the basis of short withholding of Balochistan sales tax payment, vide order dated June 30, 2025, for the tax period July 2018 to June 2019. The Company has filed an appeal before Balochistan Appellate Tribunal against the said order. The case has been decided in favor of the Company, vide order dated Sep 15, 2025, by remanding back to the officer for reassessment. No provision has been made in these condensed interim un-consolidated financial statements.
- 13.1.5 Income tax return for the Tax Year 2024 was amended by the ADCIR vide order dated July 18, 2025 resulting in reduction of tax refund of Rs.2.3 million against which the Company filed an appeal on Aug 16, 2025 before CIRA. The case has been heard and reserved for Order.

Notes

(Rupees in Thousand)	
December 2025 (Un-audited)	June 2025 (Audited)

13.2 Guarantees

Bank Guarantees in favor of:

The Director Excise and Taxation, Karachi	1,028,365	878,365
The Electric Inspector, President Licencing Board, Quetta	10	10
Pakistan State Oil Company Limited	41,500	41,500
K-Electric Limited	18,496	18,496
Nazir of the High Court of Sindh, Karachi	15,351	15,351
Sui Southern Gas Company Limited	350,000	-
Attock Petroleum Limited	34,000	-

Revolving & stand by Letter of Credit in favour of:

Sui Southern Gas Company Limited for Gas	71,078	71,078
	1,558,800	1,024,800

13.3 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	432,652	399,047
Raw and packing material	1,272,884	1,051,555
Spare parts and others	37,547	35,626
	1,743,083	1,486,228

Local currency:

Property, plant and equipment	-	2,366
Raw material	742,448	-
	742,448	2,366
	2,485,531	1,488,594

14 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.

14/12/20

15 SEGMENT REPORTING

15.1 Reportable segments

The Company's reportable segments are as follows:

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

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

15.2 Segment results:

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

	(Rupees in Thousand)					
	December 2025			December 2024		
	Polyester Filament Yarn	Polyester PET Preforms	Total	Polyester Filament Yarn	Polyester PET Preforms	Total
External sales	12,320,114	1,208,500	13,528,614	12,019,093	1,105,198	13,124,291
Segment result before depreciation	523,988	390,317	914,305	(123,436)	380,806	257,370
Less: Depreciation on property, plant and equipment	(849,027)	(45,901)	(894,928)	(681,162)	(32,961)	(714,123)
Segment result after depreciation	(325,039)	344,416	19,377	(804,598)	347,845	(456,753)
Reconciliation of segment results with Loss before levies and income tax:						
Total results for reportable segments			19,377			(456,753)
Other expenses			(72,481)			(30,463)
Other income			150,938			58,613
Finance costs			(667,666)			(910,715)
Loss before levies and income tax			(569,832)			(1,339,318)

Assets and liabilities by segments are as follows:

	December 2025			June 2025		
	(Un-audited)			(Audited)		
Segment assets	25,005,128	933,629	25,938,757	26,751,822	1,174,160	27,925,982
Segment liabilities	13,857,211	170,953	14,028,164	12,717,005	141,751	12,858,756

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

	December 2025		June 2025	
	Assets	Liabilities	Assets	Liabilities
Total for reportable segments	25,938,757	14,028,164	27,925,982	12,858,756
Unallocated	6,974,471	8,255,620	6,360,895	10,055,532
Total as per condensed interim un-consolidated statement of financial position	32,913,228	22,283,784	34,286,877	22,914,288

Other segment information is as follows:

	December 2025			December 2024		
	Depreciation on property, plant and equipment	849,027	45,901	894,928	681,162	32,961
Capital expenditures incurred during the period	95,700	24,345	120,045	357,699	-	357,699
Unallocated capital expenditure incurred during the period			221,639			808,594
Total			341,684			1,166,293

15.3 98.66% (December 2024 : 97.88%) out of total sales of the Company relates to customers in Pakistan.

15.4 All non-current assets of the Company as at December 31, 2025 are located in Pakistan.

15.5 Revenue from major customer individually accounting for more than 10% of the Company's revenue was Rs.2,592.914 million (December 2024 Rs.1,907.438 million).

11/12/25

16 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)	
				Half year ended	Half year ended
				December 2025	December 2024
Gatro Power (Private) Limited	Wholly owned Subsidiary Company	100% ownership	Purchase of power	1,708,822	2,093,490
			Plant operation arrangement	24,000	24,000
			Reimbursement of expenses	50,248	14,400
G-Pac Energy (Private) Limited	Wholly owned Subsidiary Company	100% ownership	Purchase of power	401,789	-
			Long term loan disbursed	-	10,900
			Repayment of long term loan	-	26,500
			Plant operation arrangement	3,000	-
Novatex Limited	Related Party	Common directorship	Sales of goods and other material	818,352	962,103
			Rendering of services	1,775,389	961,216
			Purchase of raw & other material	402,634	876,343
			Rent	11,958	13,187
			Reimbursement of expenses	316,886	150,004
G-Pac Corporation	Related Party	Common directorship	Sale of goods	168,596	79,174
Gani & Tayub (Private) Limited	Related Party	Common directorship	Rent	3,900	3,900
Mustaqim Dyeing & Printing Industries (Private) Limited	Related Party	Common directorship	Sales of goods and other material	69,745	168,669
			Rendering of services	30,527	14,007
			Reimbursement of expenses	60	574
Nova Frontiers Limited	Related Party	Common directorship	Reimbursement of expenses	62	-
G&T Tyre (Private) Limited	Related Party	Common directorship	Purchase of other material	-	329
Krystosoft (Private) Limited	Related Party	Common directorship	Acquisition of services	-	57
Krystopac Energy (Private) Limited	Related Party	Common directorship	Reimbursement of expenses	222	-
Lotte Chemical Pakistan Limited	Related Party	Common directorship	Purchase of material	157,522	1,344,966
Krystalite Product (Private) Limited	Related Party	Common key management	Sales of goods and other material	5	760
			Reimbursement of expenses	4,615	167
Nova Mobility (Private) Limited	Related Party	Common key management	Purchase of other material	-	32
			Reimbursement of expenses	849	98
Gatron (Industries) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	3,638	3,203

10/23

There are no transactions with Key Management Personnel other than remuneration under their terms of employment amounting to Rs.327.917 million (December 2024: Rs.382.524 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 December 31, 2025 (Un-audited)	As at June 30, 2025 (Audited)
Gatro Power (Private) Limited		
Other receivables	4,000	5,245
Loan and advances	27,225	-
Trade and other payables	-	11,299
G-Pac Energy (Private) Limited		
Other receivables	500	3,000
Trade and other payables	69,365	140,086
Novatex Limited		
Trade debts	77,990	940,978
Trade and other payables	161,496	51,900
G-Pac Corporation		
Trade debts	71,468	60,390
Trade and other payables	102	102
Mustaqim Dyeing & Printing Industries (Private) Limited		
Trade debts	254,236	294,067
Trade and other payables	737	676
Lotte Chemical Pakistan Limited		
Other receivables	-	11,445
Trade and other payables	-	643,305
Krystalite Product (Private) Limited		
Other receivables	-	11
Trade and other payables	371	-
Nova Mobility (Private) Limited		
Other receivables	20	116
Gatron (Industries) Limited Workers Provident Fund		
Trade and other payables	1,214	1,345

17 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

Statement of Financial Position

Assets:

Long term investments

Investment in subsidiary companies

Short term investment

Cash at banks

Liabilities:

Long term financing

Short term borrowings

Accrued profit on long term financing

Accrued profit on short term borrowings

Explanation

Shariah compliant

(Rupees in Thousand)	
December 2025 (Un-audited)	June 2025 (Audited)
415,552	443,964
350,000	-
26,409	55,677
8,605,264	9,116,830
4,689,340	6,145,492
360,110	320,767
100,642	159,033

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Statement of Profit or loss

		(Rupees in Thousand)	
		Half year ended December 2025	Half year ended December 2024
Revenue earned	Shariah compliant	13,528,614	13,124,291
Scrap sales	Shariah compliant	29,738	107,492
Profit paid on long term financing	Shariah compliant	415,466	484,647
Profit paid on short term borrowings	Shariah compliant	237,214	396,767
Bank charges	Shariah compliant	1,024	228
Other income from Shariah Compliant:			
Profit on bank deposits and TDR	Shariah compliant	10,402	1,291
Reversal of impairment allowance for ECL - net	Shariah compliant	-	52
Gain on disposal of property, plant and equipment	Shariah compliant	12,080	7,577
Liabilities no more payable written back	Shariah compliant	-	6,619
Amortization of interest free long term loan to subsidiary company	Shariah compliant	17,432	32,999
Amortization of Government Scheme	Shariah compliant	81,310	5,916
Exchange gain - net	Shariah compliant	24,688	-
Remeasurement gain on discounting of provision for GIDC	Shariah compliant	-	1,173
Miscellaneous income	Shariah compliant	159	2,986

Relationship with shariah compliant banks and NBFC**Name of institutions**

Askari Bank Limited
Bank Al-Falah Limited
Bank Al-Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited

MCB Islamic Bank Limited
Meezan Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
First Habib Modaraba

Relationship with institutions

Short term borrowings
Bank balance, Long term financing and Short term borrowings
Bank balance and Long term financing
Bank balance and Long term financing
Bank balance and Long term financing
Bank balance, Long term financing and Short term borrowings
Short term investment, Bank balance, Long term financing and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Long term financing and Short term borrowings
Bank balance
Bank balance and Long term financing
Long term financing

Takaful Operators

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

18 DATE OF AUTHORISATION

These condensed interim un-consolidated financial statements were authorized for issue on February 28, 2026 by the Board of Directors of the Company.

19 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.

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

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

20 GENERAL

20.1 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.

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



SHABBIR DIWAN
Chief Executive Officer



MUHAMMAD IQBAL BILWANI
Director



MUHAMMAD TUFAIL
Chief Financial Officer

WTS

DIRECTORS' REPORT (CONSOLIDATED)

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 half year ended December 31, 2025.

THE GROUP

The Group comprises 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 half year ended December 31, 2025, 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 Subsidiary 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 the Subsidiary Company remain normal during the period.

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

CONSOLIDATED FINANCIALS:

	(Pak Rupees in Thousand)
Operating results for the half year ended December 31, 2025	
Loss before levies and income tax	(642,712)
Levies and Income tax	158,562
Loss for the period	(801,274)
Accumulated loss brought forward	(179,964)
Accumulated loss carried forward	(986,798)
Loss per share - Basic and diluted (Rupees)	(7.37)

	(Pak Rupees in Thousand)
State of Affairs as on December 31, 2025	
Property, plant and equipment	20,651,202
Other non-current assets	57,747
Current assets	15,244,804
Total assets	35,953,753
Deduct:	
Non-current liabilities	8,317,582
Current liabilities	15,594,076
Total liabilities	23,911,658
Net assets financed by shareholders' equity	12,042,095

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

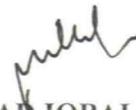
The system of internal controls is sound in design and has been effectively implemented and monitored.

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

February 28, 2026

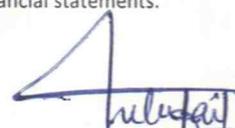
GATRON (INDUSTRIES) LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

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

The notes 1 to 19 annexed herewith form an integral part of these condensed interim consolidated financial statements.


SHABBIR DIWAN
Chief Executive Officer


MUHAMMAD IQBAL BILWANI
Director


MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITEDCONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Rupees in Thousand)			
	Oct-2025 to Dec-2025	Oct-2024 to Dec-2024	Jul-2025 to Dec-2025	Jul-2024 to Dec-2024
Sales	6,287,022	7,219,643	13,528,614	13,124,291
Cost of sales	6,110,782	7,204,323	13,174,945	13,048,529
Gross profit	176,240	15,320	353,669	75,762
Distribution and selling costs	79,718	145,343	163,277	267,494
Administrative expenses	135,464	102,018	258,042	273,647
Other expenses	34,426	2,058	44,270	20,746
	249,608	249,419	465,589	561,887
	(73,368)	(234,099)	(111,920)	(486,125)
Other income	81,341	23,843	138,461	71,045
Operating profit/(loss)	7,973	(210,256)	26,541	(415,080)
Finance cost	320,732	405,971	669,253	921,412
Loss before levies and income tax	(312,759)	(616,227)	(642,712)	(1,336,492)
Levies - current & prior	78,381	91,576	168,656	165,192
Loss before income tax	(391,140)	(707,803)	(811,368)	(1,501,684)
Income tax - current & prior	(10,094)	5,587	(10,094)	8,989
Loss for the period	(381,046)	(713,390)	(801,274)	(1,510,673)
Loss per share - Basic and diluted (Rupees)	(3.50)	(6.56)	(7.37)	(13.89)

The notes 1 to 19 annexed herewith form an integral part of these condensed interim consolidated financial statements.



SHABBIR DIWAN
Chief Executive Officer



MUHAMMAD IQBAL BILWANI
Director

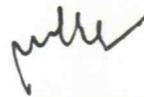
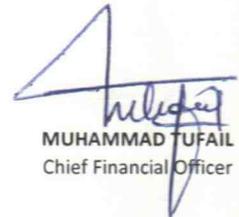


MUHAMMAD TUFAIL
Chief Financial Officer

GATRON (INDUSTRIES) LIMITEDCONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Rupees in Thousand)			
	Oct-2025 to Dec-2025	Oct-2024 to Dec-2024	Jul-2025 to Dec-2025	Jul-2024 to Dec-2024
Loss for the period	(381,046)	(713,390)	(801,274)	(1,510,673)
Other comprehensive income				
<i>Items that will never be reclassified to statement of profit or loss</i>				
Loss on remeasurement of defined benefit plan having nil tax impact	(5,560)	-	(5,560)	-
Total comprehensive loss	<u>(386,606)</u>	<u>(713,390)</u>	<u>(806,834)</u>	<u>(1,510,673)</u>

The notes 1 to 19 annexed herewith form an integral part of these condensed interim consolidated financial statements.

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

GATRON (INDUSTRIES) LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

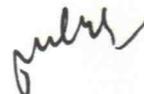
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Rupees in Thousand)					Total
	Share capital	Reserves			Sub Total	
		Capital reserves	General reserve	(Accumulated loss)/ Unappropriated profit		
Balances as at July 01, 2024	1,087,290	11,656,603	285,000	1,778,223	13,719,826	14,807,116
Total comprehensive loss for the six months period ended December 31, 2024						
Loss for the period	-	-	-	(1,510,673)	(1,510,673)	(1,510,673)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(1,510,673)	(1,510,673)	(1,510,673)
Balances as at December 31, 2024	1,087,290	11,656,603	285,000	267,550	12,209,153	13,296,443
Total comprehensive loss for the six months period ended June 30, 2025						
Loss for the period	-	-	-	(504,008)	(504,008)	(504,008)
Other comprehensive income	-	-	-	56,494	56,494	56,494
	-	-	-	(447,514)	(447,514)	(447,514)
Balances as at June 30, 2025	1,087,290	11,656,603	285,000	(179,964)	11,761,639	12,848,929
Total comprehensive loss for the six months period ended December 31, 2025						
Loss for the period	-	-	-	(801,274)	(801,274)	(801,274)
Other comprehensive loss	-	-	-	(5,560)	(5,560)	(5,560)
	-	-	-	(806,834)	(806,834)	(806,834)
Balances as at December 31, 2025	1,087,290	11,656,603	285,000	(986,798)	10,954,805	12,042,095

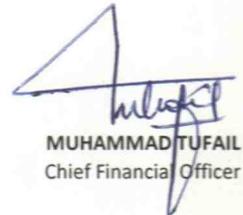
The notes 1 to 19 annexed herewith form an integral part of these condensed interim consolidated financial statements.



SHABBIR DIWAN
Chief Executive Officer



MUHAMMAD IQBAL BILWANI
Director



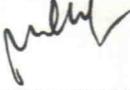
MUHAMMAD TUFAIL
Chief Financial Officer

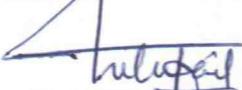
GATRON (INDUSTRIES) LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Rupees in Thousand)	
	Jul-2025 to Dec-2025	Jul-2024 to Dec-2024
Cash flows from/(towards) Operating Activities		
Loss before levies and income tax	(642,712)	(1,336,492)
Adjustments for non cash income and expenses:		
Depreciation on property, plant and equipment	998,685	797,158
Depreciation on right of use assets	12,320	13,254
Amortization of intangible asset	5,013	5,013
Provision for defined benefit plan	71,326	67,142
Gain on disposal of property, plant and equipment	(12,080)	(7,577)
Impairment/(reversal) of allowance for ECL-net	43,498	(52)
Impairment allowance for slow moving stores, spare parts and loose tools-net	470	13,549
Remeasurement gain on discounting of provision for GIDC	-	(11,008)
Finance costs	669,253	921,412
	<u>1,788,485</u>	<u>1,798,891</u>
	1,145,773	462,399
Decrease/(increase) in current assets:		
Stores, spare parts and loose tools	165,910	186,205
Stock in trade	593,949	1,294,034
Trade debts	390,184	(429,420)
Loans and advances	412,906	229,314
Trade deposits and short term prepayments	(120,596)	(68,332)
Other receivables	(398,945)	646,198
	<u>1,043,408</u>	<u>1,857,999</u>
Increase/(decrease) in trade and other payables	2,281,153	(824,956)
Cash flows from operations	<u>4,470,334</u>	<u>1,495,442</u>
(Payment for)/receipts of:		
Long term loans	(4,480)	3,397
Defined benefit plan	(38,021)	(10,655)
Finance costs	(679,336)	(843,660)
Income tax	(180,258)	(58,946)
Net cash flows from operating activities	<u>3,568,239</u>	<u>585,578</u>
Cash flows (towards)/from Investing Activities		
Additions in property, plant and equipment	(416,203)	(1,225,536)
Proceeds from disposal of property, plant and equipment	23,360	19,838
Decrease in short term investments	-	2,500
Net cash flows towards investing activities	<u>(392,843)</u>	<u>(1,203,198)</u>
Cash flows (towards)/from Financing Activities		
Long term financing - proceeds received	108,797	141,463
Long term financing - repayments	(701,674)	(494,026)
Payments for lease liability against right of use assets	(18,346)	(18,994)
Short term borrowings - net (fixed term instruments)	(157,434)	1,463,775
Dividend paid	(78)	(152)
Net cash flows (towards)/from financing activities	<u>(768,735)</u>	<u>1,092,066</u>
Net increase in cash and cash equivalents	<u>2,406,661</u>	<u>474,446</u>
Cash and cash equivalents at the beginning of the period	<u>(6,469,595)</u>	<u>(3,074,078)</u>
Cash and cash equivalents at the end of the period	<u>(4,062,934)</u>	<u>(2,599,632)</u>
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Short term investment	350,000	-
Cash and bank balances	277,791	204,546
Short term borrowings	(4,690,725)	(2,804,178)
	<u>(4,062,934)</u>	<u>(2,599,632)</u>

The notes 1 to 19 annexed herewith form an integral part of these condensed interim consolidated financial statements.


SHABBIR DIWAN
 Chief Executive Officer


MUHAMMAD IQBAL BILWANI
 Director


MUHAMMAD TUFAIL
 Chief Financial Officer

GATRON (INDUSTRIES) LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1 THE GROUP AND ITS OPERATIONS

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

Gatro Power (Private) Limited is a wholly owned subsidiary of Gatron (Industries) Limited. The principal business of the Subsidiary Company is to generate and 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. The principal business of the Subsidiary Company is to generate and sale electric power. The registered/liaison office of the Company is situated at 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi. The plant of the Company is situated at Plot No. 441/49-M2, Sector "M", H.I.T.E., Main R.C.D. Highway, Hub Chowki, Distt Lasbela, Balochistan.

1.2 The Board of Directors of Gatron (Industries) Limited on January 28, 2026 have resolved to authorize the Company to enter into a Scheme of Arrangements ("Scheme") with Nova Frontiers Limited ("NFL") and Ghani & Tayub (Private) Limited ("G&T"), subject to the necessary approval by the Honorable High Court of Balochistan at Quetta and the Shareholders of the respective companies.

- (i) NFL will cancel the shares held by the certain categories of shareholders (collectively referred to as the "Outgoing Shareholders"), resulting in a corresponding reduction in NFL's share capital. As consideration for the aforesaid, the 29.33% shareholding of Gatron, currently held by NFL will be cancelled upto the ratio determined through valuation and new shares of Gatron will be issued to the Outgoing Shareholders/Beneficial Owners of Outgoing Shareholders of NFL in lieu of cancellation of their shareholding in NFL on the basis of SWAP ratio to be determine by the Professional Valuer.
- (ii) Gatron will cancel 2.98% shareholding (comprising 3,240,774 shares) currently held by the G&T, and will issue new shares of the Company directly to the shareholders of G&T.

2 BASIS OF 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 financial statements and should be read in conjunction with the audited financial statements of the Group for the year ended June 30, 2025.

2.3 New accounting standards / amendments and IFRS interpretations that are effective for the half year ended December 31, 2025

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, 2025; however, these do not have any significant impact on these condensed interim consolidated financial statements, hence not described.

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, 2025. 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, 2025.

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 audited financial statements of the Group for the year ended June 30, 2025.

		(Rupees in Thousand)	
		December 2025 (Un-audited)	June 2025 (Audited)
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	19,013,194	19,391,804
	Capital work in progress	1,573,621	1,788,773
	Right of use assets	64,387	76,707
		<u>20,651,202</u>	<u>21,257,284</u>
5.1	Operating fixed assets		
	Balance as at start of the period/year	19,391,804	15,178,047
	Additions during the period/year	112,925	245,390
	Transferred from capital work in progress during the period/year	518,430	5,697,456
		631,355	5,942,846
	Disposal during the period/year	(11,280)	(24,745)
	Depreciation for the period/year	(998,685)	(1,704,344)
	Balance as at end of the period/year	<u>19,013,194</u>	<u>19,391,804</u>

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

Additions to operating fixed assets at cost during the period including transfer from Capital work in progress

		(Rupees in Thousand)	
		Half year ended December 2025	Half year ended December 2024
	Freehold land	-	169,525
	Building on freehold land	-	283,141
	Plant and machinery	541,592	1,049,723
	Factory equipment	3,227	4,524
	Office equipment	-	1,009
	Motor vehicles	17,894	20,633
	Overhauling of generators	68,642	-
		<u>631,355</u>	<u>1,528,555</u>

		(Rupees in Thousand)	
		Half year ended December 2025	Half year ended December 2024
	Disposals of operating fixed assets at NBV during the period		
	Plant and machinery	514	149
	Motor vehicles	10,766	12,112
		<u>11,280</u>	<u>12,261</u>
	Depreciation on property, plant and equipment	<u>998,685</u>	<u>797,158</u>
5.2	Capital work in progress		
	Balance as at start of the period/year	1,788,773	6,229,325
	Additions during the period/year	303,278	1,041,465
	Transfer to operating fixed assets during the period/year	(518,430)	(1,327,259)
	Balance as at end of the period/year	<u>1,573,621</u>	<u>5,943,531</u>
5.2.1	Breakup of capital work in progress		
	Factory building under construction	-	485,783
	Plant and machinery under erection	1,573,621	5,457,748
		<u>1,573,621</u>	<u>5,943,531</u>
		(Rupees in Thousand)	
		December 2025 (Un-audited)	June 2025 (Audited)
5.3	Right of use assets		
	Rented premises		
	Balance as at start of the period/year	76,707	108,825
	Effect of lease modification during the period/year	-	(7,479)
	Depreciation for the period/year	(12,320)	(24,639)
	Balance as at end of the period/year	<u>64,387</u>	<u>76,707</u>
6	INTANGIBLE ASSET		
	Software and licences		
	Balance as at start of the period/year	50,127	60,152
	Amortization during the period/year	(5,013)	(10,025)
	Balance as at end of the period/year	<u>45,114</u>	<u>50,127</u>
7	STOCK IN TRADE		
	These include items costing Rs.94.520 million (June 2025: Rs.78.767 million) valued at net realizable value of Rs.75.237 million (June 2025: Rs.60.889 million).		
8	SHORT TERM INVESTMENT	<u>350,000</u>	<u>-</u>
	Term deposit receipt -Shariah compliant		
	This carries profit rate @10% and matured on January 15, 2026.		
9	SHARE CAPITAL		
		(Number of Shares)	
		December 2025 (Un-audited)	June 2025 (Audited)
9.1	Authorized capital		
	<u>130,000,000</u>	<u>130,000,000</u>	<u>130,000,000</u>
	Ordinary shares of Rs.10 each	<u>1,300,000</u>	<u>1,300,000</u>
9.2	Issued, subscribed and paid up capital		
	<u>62,136,080</u>	<u>62,136,080</u>	<u>62,136,080</u>
	Ordinary shares of Rs.10 each allotted for consideration paid in cash	<u>621,361</u>	<u>621,361</u>
	<u>46,592,880</u>	<u>46,592,880</u>	<u>46,592,880</u>
	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	<u>465,929</u>	<u>465,929</u>
	<u>108,728,960</u>	<u>1,087,290</u>	<u>1,087,290</u>

10	DEFERRED LIABILITIES AND INCOME		
	Deferred Liabilities		
	Defined benefit plan	10.1	712,781
			673,916
	Deferred income		
	Deferred Income - Government scheme	10.2	481,296
			555,583
			1,194,077
10.1	Defined benefit plan		
	Balance as at start of the period/year		673,916
	Charge for the period/year		71,326
	Remeasurement loss/(gain)		5,560
	Payments during the period/year		(38,021)
	Balance as at end of the period/year		712,781
10.2	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.

11 TRADE AND OTHER PAYABLES

There are no material changes in the status of provisions includes in trade and other payables as reported in the annual audited financial statements for the year ended June 30, 2025 except following:

The Subsidiary Companies Messrs. Gatro Power (Pvt) Limited & Messrs. G-Pac Energy Limited has filed a Writ Petition No. 1185 of 2025 before the Honorable Islamabad High Court on 25.03.2025, challenging the levy imposed on Captive Power consumers through Notification dated 07.03.2025, issued under Section 3(1) of the Off the Grid (Captive Power Plants) Levy Ordinance, 2025. The Honorable Islamabad High Court vide its Order dated 26.03.2025 was pleased to suspended the operation of the impugned Notification. Subsequently, vide Order dated 08.04.2025, the stay was vacated with directions that all amounts collected under the impugned Ordinance be collected in the Federal Consolidated Fund for its 120-day validity and utilized only for the stated purpose, with a further condition that, if the Ordinance lapsed without Parliamentary approval, the amounts collected would be refunded in full to the petitioners and not diverted elsewhere. Thereafter, vide Order dated 31.07.2025, the Writ Petition was dismissed on technical grounds, the Court holding that since the Ordinance stood repealed upon enactment of the Off the Grid (Captive Power Plants) Levy Act, 2025, and no challenge had been made to the vires of the subsequently enacted Act, no relief could be granted to the petitioners. The Subsidiary Companies then filed a Constitutional Petition. No.(k) 98/2025 before the Honorable Balochistan High Court challenging the impugned Notification dated 23.07.2025 under Section 3(1) of the Off the Grid (Captive Power Plants) Levy Act, 2025. Subsequently, the Honorable Balochistan High Court vide Order dated 04-08-2025 suspended the collection of levy by SSGC with the direction to the Subsidiary Companies that post-dated cheques equal to the levy amount as imposed through monthly SSGC gas bills be submitted as surety. The case is currently pending before the Honorable Balochistan High Court and the discussions held with the legal counsel, the management is confident that the case will be decided in favor of the Subsidiary Companies. The Honorable Balochistan High Court, vide judgment dated 28.10.2025, dismissed the Petition on the ground of non-maintainability due to lack of territorial jurisdiction. Thereafter, Subsidiary Companies filed Civil Petition for Leave to Appeal No. 3 of 2025 before the Federal Constitutional Court (FCC) on 01.12.2025. The matter is presently pending for adjudication.

12 CONTINGENCIES AND COMMITMENTS

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

12.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual audited financial statements for the year ended June 30, 2025, except for the following:

12.1.1 The Parent Company had filed petition no. D-557 and D-2656 before the Honorable Sindh High Court wherein the Parent Company had challenged the notice requiring to pay Super Tax for tax year 2018 amounting to Rs.28.187 million and 2019 Rs.31.444 million respectively. The Honorable Sindh High Court has decided the matter against the Parent Company. The Parent Company has filed petition no. 2307 of 2020 and 2308 of 2020 before the Honorable Supreme Court of Pakistan against the judgement of the Honorable Sindh High Court, which has been decided by the Federal Constitutional Court of Pakistan that the Super Tax is intra vires the Constitution. The amount of Super Tax has been fully provided in these condensed interim consolidated financial statements.

- 12.1.2** The Parent Company has filed a petition no. CP No.D-8011/2022 dated December 23, 2022 before the Honorable Sindh High Court against the levy of Super Tax under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022. The Honorable Sindh High Court held that the Super Tax is not applicable for the tax year 2022. However, the Tax Department has filed petition before the Honorable Supreme Court of Pakistan and has issued interim order whereby the Honorable Supreme Court has directed to pay Super Tax to the extent of 4% in other C.P. no. 3825 and 3909 of 2022. Therefore, the Parent Company has paid the Super Tax of Rs. 13.353 million on the direction of the Honorable Supreme Court and in the compliance of the tax department notice as well Now the Federal Constitutional Court of Pakistan has decided that the Super Tax matter is intra vires the Constitution. The amount of Super Tax has been fully provided in these condensed interim consolidated financial statements.
- 12.1.3** The Tax Department disallowed expenses of Rs.74 million under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2022. However, no income tax demand was raised owing to tax refundable position both before and after amendment of assessment proceedings. The Parent Company's appeal is reserved for order before the CIRA. Based on the merits of the case, the management is confident that the case will be decided in favor of the Parent Company.
- 12.1.4** The Commissioner of Balochistan Revenue Authority (BRA) has raised demand of Rs.342.5 million on the basis of short withholding of Balochistan sales tax payment, vide order dated June 30, 2025, for the tax period July 2018 to June 2019. The Parent Company has filed an appeal before Balochistan Appellate Tribunal against the said order. The case has been decided in favor of the Parent Company, vide order dated Sep 15, 2025, by remanding back to the officer for reassessment. No provision has been made in these special condensed interim consolidated financial statements.
- 12.1.5** Income tax return for the Tax Year 2024 was amended by the ADCIR vide order dated July 18, 2025 resulting in reduction of tax refund of Rs.2.3 million against which the Parent Company filed an appeal on Aug 16, 2025 before CIRA. The case has been heard and reserved for Order.

12.2 Guarantees

Bank Guarantees in favor of:

The Director Excise and Taxation, Karachi
The Electric Inspector, President Licencing Board, Quetta
Pakistan State Oil Company Limited
K-Electric Limited
Nazir of the High Court of Sindh, Karachi
Sui Southern Gas Company Limited
Attock Petroleum Limited

Revolving Letter of Credit in favour of:

Sui Southern Gas Company Limited for Gas

(Rupees in Thousand)	
December 2025 (Un-audited)	June 2025 (Audited)
1,063,865	913,865
10	10
41,500	41,500
18,496	18,496
15,351	15,351
350,000	-
34,000	-
1,572,480	1,572,480
3,095,702	2,561,702

12.3 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
Raw and packing material
Spare parts and others

432,652	399,047
1,272,884	1,051,555
37,547	55,752
1,743,083	1,506,354

Local currency:

Property, plant and equipment
Raw material

-	2,366
742,448	-
742,448	2,366
2,485,531	1,508,720

13 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 freehold land, leasehold 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.

14 SEGMENT REPORTING

14.1 Reportable segments

The Group's reportable segments are as follows:

- Polyester Filament Yarn - it comprises manufacturing of Polyester Filament Yarn and its raw material.
- Polyester PET Preform - it comprises manufacturing of Polyester PET Preform and its raw material. This includes the results of Subsidiary Company Messrs. Global Synthetics Limited, which has not yet commenced its operations till date.
- Electric Power generation - it comprises operations of Subsidiary Companies Messrs. Gatro Power (Private) Limited and Messrs. G-Pac Energy (Private) Limited.

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

14.2 Segment results:

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

(Rupees in Thousand)

	December 2025					December 2024				
	Polyester Filament Yarn	Polyester PET Preform	Total of Polyester Polymer	Power Generation	Group	Polyester Filament Yarn	Polyester PET Preform	Total of Polyester Polymer	Power Generation	Group
Sales	12,320,114	1,208,500	13,528,614	2,110,611	15,639,225	12,019,093	1,105,198	13,124,291	2,093,490	15,217,781
Segment result before depreciation	523,988	390,317	914,305	16,730	931,035	(123,436)	380,806	257,370	74,409	331,779
Less: Depreciation on property, plant and equipment	(849,027)	(45,901)	(894,928)	(103,757)	(998,685)	(681,162)	(32,961)	(714,123)	(83,035)	(797,158)
Segment result after depreciation	(325,039)	344,416	19,377	(87,027)	(67,650)	(804,598)	347,845	(456,753)	(8,626)	(465,379)
Reconciliation of segment sales and results with Sales and Loss before levies and income tax:										
Total sales for reportable segments					15,639,225					15,217,781
Elimination of inter-segment sales from subsidiary companies					(2,110,611)					(2,093,490)
Sales					13,528,614					13,124,291
Total results for reportable segments			19,377	(87,027)	(67,650)			(456,753)	(8,626)	(465,379)
Other expenses			(72,481)	(201)	(72,682)			(30,463)	(3,688)	(34,151)
Other income			150,938	4,955	155,893			58,613	45,431	104,044
Finance costs			(667,666)	(19,019)	(686,685)			(910,715)	(43,696)	(954,411)
			(569,832)	(101,292)	(671,124)			(1,339,318)	(10,579)	(1,349,897)
Elimination of intra group transaction					28,412					13,405
Loss before levies and income tax					(642,712)					(1,336,492)

Assets and liabilities by segments are as follows:

	December 2025					June 2025				
	(Un-audited)					(Audited)				
Segment assets	25,005,128	933,730	25,938,858	3,766,382	29,705,240	26,751,822	1,174,288	27,926,110	3,709,822	31,635,932
Segment liabilities	13,857,211	170,953	14,028,164	1,930,876	15,959,040	12,717,005	141,778	12,858,783	1,782,215	14,640,998

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

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

Other segment information is as follows:

	December 2025					December 2024				
	Depreciation on property, plant and equipment	849,027	45,901	894,928	103,757	998,685	681,162	32,961	714,123	83,035
Capital expenditures incurred during the period	95,700	24,345	120,045	74,519	194,564	357,699	-	357,699	59,243	416,942
Unallocated capital expenditure incurred during the period					221,639					808,594
Total					416,203					1,225,536

14.3 All non-current assets of the Group as at December 31, 2025 are located in Pakistan. Parent Company's local sales represents sales to various external customers in Pakistan whereas export sales represents sales to customers in United State of America and Europe.

14.4 Revenue from major customer individually accounting for more than 10% of the Group's revenue was Rs.2,592.914 million (December 2024 Rs.1,907.438 million).

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)	
				Half year ended December 2025	Half year ended December 2024
Novatex Limited	Related Party	Common directorship	Sales of goods and other material	818,352	962,103
			Rendering of services	1,775,389	961,216
			Purchase of raw & other material	402,634	876,343
			Rent	11,958	13,187
			Reimbursement of expenses	318,631	150,004
G-Pac Corporation	Related Party	Common directorship	Sale of goods	168,596	79,174
Gani & Tayub (Private) Limited	Related Party	Common directorship	Rent	3,900	3,900
Mustaqim Dyeing & Printing Industries (Private) Limited	Related Party	Common directorship	Sales of goods and other material	69,745	168,669
			Rendering of services	30,527	14,007
			Reimbursement of expenses	60	574
Nova Frontiers Limited	Related Party	Common directorship	Reimbursement of expenses	62	-
G&T Tyre (Private) Limited	Related Party	Common directorship	Purchase of other material	-	329
Krystosoft (Private) Limited	Related Party	Common directorship	Acquisition of services	-	57
Krystopac Energy (Private) Limited	Related Party	Common directorship	Reimbursement of expenses	460	-
Lotte Chemical Pakistan Limited	Related Party	Common directorship	Purchase of material	157,522	1,344,966
Krystalite Product (Private) Limited	Related Party	Common key management	Sales of goods and other material	5	760
			Reimbursement of expenses	4,615	167
Nova Mobility (Private) Limited	Related Party	Common key management	Purchase of other material	-	32
			Reimbursement of expenses	849	98
Gatron (Industries) Limited Workers Provident Fund	Retirement benefit fund	Employees fund	Provident fund contribution	3,638	3,203

There are no transactions with Key Management Personnel other than remuneration under their terms of employment amounting to Rs.336.362 million (December 2024: Rs.390.191 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 December 2025 (Un-audited)	As at June 2025 (Audited)
Novatex Limited		
Trade debts	77,990	940,978
Other receivables	1,745	-
Trade and other payables	161,496	51,900
G-Pac Corporation		
Trade debts	71,468	60,390
Trade and other payables	102	102
Mustaqim Dyeing & Printing Industries (Private) Limited		
Trade debts	254,236	294,067
Trade and other payables	737	676
Lotte Chemical Pakistan Limited		
Other receivables	-	11,445
Trade and other payables	-	643,305
Krystalite Product (Private) Limited		
Other receivables	-	11
Trade and other payables	371	-
Nova Mobility (Private) Limited		
Other receivables	20	116
Gatron (Industries) Limited Workers Provident Fund		
Trade and other payables	1,214	1,345

16

DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

Statement of Financial Position

	Explanation	(Rupees in Thousand)	
		December 2025 (Un-audited)	June 2025 (Audited)
Assets:			
Short term investments	Shariah compliant	350,000	-
Cash at banks	Shariah compliant	32,992	57,777
Liabilities:			
Long term financing	Shariah compliant	8,605,264	9,116,830
Short term borrowings	Shariah compliant	4,689,340	6,145,492
Accrued profit on long term financing	Shariah compliant	360,110	320,767
Accrued profit on short term borrowings	Shariah compliant	100,642	159,033

Statement of Profit or loss

		(Rupees in Thousand)	
		Half year ended December 2025	Half year ended December 2024
Revenue earned	Shariah compliant	13,528,614	13,124,291
Scrap sales	Shariah compliant	29,738	107,492
Profit paid on long term financing	Shariah compliant	415,466	484,647
Profit paid on short term borrowings	Shariah compliant	237,214	396,767
Bank charges	Shariah compliant	2,608	880
Other income from Shariah Compliant:			
Profit on bank deposits and TDR	Shariah compliant	10,402	36,882
Reversal of impairment allowance for ECL - net	Shariah compliant	-	52
Gain on disposal of property, plant and equipment	Shariah compliant	12,080	7,577
Liabilities no more payable written back	Shariah compliant	-	6,619
Amortization of Government Scheme	Shariah compliant	81,310	5,916
Exchange gain - net	Shariah compliant	29,643	-
Remeasurement gain on discounting of provision for GIDC	Shariah compliant	-	11,008
Miscellaneous income	Shariah compliant	159	2,991

Relationship with shariah compliant banks and NBFC

Name of institutions

Askari Bank Limited
Bank Al-Falah Limited
Bank Al-Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited

MCB Islamic Bank Limited
Meezan Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
First Habib Modaraba

Relationship with institutions

Short term borrowings
Bank balance, Long term financing and Short term borrowings
Bank balance and Long term financing
Bank balance and Long term financing
Bank balance and Long term financing
Bank balance, Long term financing and Short term borrowings
Short term investment, Bank balance, Long term financing and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Bank balance, Long term financing and Short term borrowings
Long term financing and Short term borrowings
Bank balance
Bank balance and Long term financing
Long term financing

Takaful Operators

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

17 DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorized for issue on February 28, 2026 by the Board of Directors of the Parent Company.

18 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.

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

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

19 GENERAL

19.1 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.

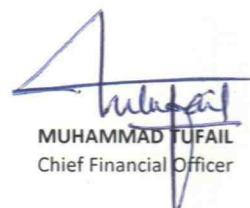
19.2 Figures have been rounded off to the nearest thousand of Rupees.



SHABBIR DIWAN
Chief Executive Officer



MUHAMMAD IQBAL BILWANI
Director



MUHAMMAD TUFAIL
Chief Financial Officer