Annual Report
2020-2021
Year ended 30th June 2021

Sana Industries Limited

33-D-2, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400
Phone: 021-34322556-9 Email: info@sana-industries.com

CONTENTS

Sana Industries Limited

COMPANY INFORMATION

Board of Directors

Mr.Mohammed Younus Nawab	- Director
Hafiz Mohammed Irfan Nawab	- Chief Executive
Mr.Ibrahim Younus	- Chairman
Mr.Muhammad Faizanullah	- Director
Mr.Ismail Younus	- Director
Ms.Areej Rafique	- Director
Mr.Muhammad Ashfaq	- Director

H.R. & Remuneration Committee

Ms.Areej Rafique	- Chairman
Mr.Syed Amjad Ahmad	- Secretary
Mr.Muhammad Faizanullah	- Member
Mr.Ismail Younus	- Member

Audit Committee

Mr.Muhammad Ashfaq	- Chairman
Mr.Syed Amjad Ahmad	- Secretary
Mr.Ismail Younus	- Member
Mr.Muhammad Faizanullah	- Member

C.F.O./Company Secretary

Mr.Saad Bin Hilal	-Chief Financial Officer
Mr.Abdul Hussain Antaria	-Company Secretary

Registered Office

33-D-2, Block 6, P.E.C.H.S
P.O.Box No.10651,
Karachi - 75700
Phone : 32561728 - 29
Fax : 32570833
E-mail : info@sanaindustries.com

Mills

B-186, Hub Industrial Trading Estate,
Hub Chowki, District Lasbela,
Balochistan.
Phone : 0853-363443 - 44
Fax : 0853-363422

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Plot No. 180,
Block-A S.M.C.H.S.
Karachi.
Phone : 34549345-9
Fax : 34548210

Legal Advisors

Zaki & Co.,
Advocates
21-A, Wahab Arcade,
M.A.Jinnah Road,
Karachi.
Phone : 32628998 / 32628999

Bankers

Habib Metropolitan Bank Limited
Islamic Banking Branch,
Jodia Bazar,
Karachi.
Phone : 32432528 - 30
Fax : 32432527

Share Registrars

CDC Share Registrar Service Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Karachi.
Phone : 111-111-500
Fax : 34326027

Website for financial data - http://www.sana-industries.com/

SANA INDUSTRIES LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the shareholders of the Sana Industries Limited will be held on Wednesday, the 27th of October, 2021 at 5.00 P.M at the Company's Office, situated at 33-D-2, Block 6, P.E.C.H.S., Karachi to transact the following business:-

ORDINARY BUSINESS:

(1) To read and confirm the minutes of Extra Ordinary General Meeting held on 18th February, 2021.

(2) To receive and adopt the audited financial statements of the Company for the year ended 30th June, 2021, together with the Auditors' Report and Directors' Report thereon.

(3) To consider and approve Final cash dividend of 15% for the year ended 30th June, 2021 (In addition to Interim Dividend @ 10% already paid during the year) aggregating the total distribution of cash dividend @ 25% for the year ended 30th June 2021, as recommended by the directors.

(4) To appoint Auditors of the Company for the year ended 30th June, 2022. The present Auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

Ordinary Resolution

(5) To Ratify and approve transactions conducted with Related Party for the year ended June 30, 2021 by passing the following ordinary resolution with or without modification:

"RESOLVED that the transactions conducted with Related Party as disclosed in Note 43 of the unconsolidated financial statements for the year ended June 30, 2021 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed."

(6) To authorize the Chief Executive Officer of the Company to approve transactions with Related Party for the financial year ending June 30, 2022 by passing the following ordinary resolution with or without modification:

"RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve the transactions to be conducted with Related Party on case to case basis for the financial year ending June 30, 2022."

"FURTHER RESOLVED that these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

Special Resolution

(7) To consider the amendment in Article No. 83 of the Articles of Association of the Company and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

"**RESOLVED THAT** the Article 83 of the Articles of Association of the Company be and is hereby substituted as under:

83. "A person shall be eligible for appointment as a director of the Company if he is a member of the Company relatable in the case of a person representing a member which is not a natural person."

ANY OTHER BUSINESS:

(8) To transact any other business with the permission of the Chair.

By Order of the Board

(Abdul Hussain Antaria)
Company Secretary

Karachi: 5th October, 2021

NOTES:

1. **Closure of Share Transfer Books**
   The share transfer books of the Company shall remain closed from 20-Oct-2021 to 27-Oct-2021 (both days inclusive). Transfers received in order at the office of Share Registrar CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block B, SMCHS, Karachi-74400 by the close of business on 19-Oct-2021 will be considered in time to attend and vote at the meeting.

2. **Participation in General Meeting**
   An individual beneficial owner of shares must bring his/her original CNIC or Passport, Account and Participant's I.D. numbers to prove his/her identity. A representative of corporate members, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee, CDC account holders will further have to follow the guidelines as laid down in Circular 1 dated 28th January, 2000, issued by the Securities and Exchange Commission of Pakistan.

   A member entitled to attend and vote at the meeting may appoint another member as his/her proxy in writing to attend the meeting and vote on the member's behalf. Proxies in order to be effective must be received at the Company's Registered Office, 33-D-2, Block-6, P.E.C.H.S., Karachi (Phone No.34322556-59) not later than 48 hours before the time of holding the meeting and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy.

   Members are requested to notify their change of address, Zakat declaration (CZ-50) and tax exemption certificate (if any) immediately to Company's Share Registrar CDC Share Registrar Services Limited.

3. **Submission of the CNIC/NTN details (Mandatory)**
   In accordance with the notification of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 779(1)/2011 dated 18 August 2011 and SRO 83(1)/2012 dated 5 July 2012, dividend counters in electronic form should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, Members who have not yet submitted photocopy of their valid CNIC or NTN in case of corporate entities are requested to submit the same to the Companies' Share Registrar in case of non-compliance, the Company shall withhold credit of dividend as per law.

4. **Payment of Cash Dividend Electronically (Mandatory Requirement)**
In accordance with the provision of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations 2017, it is mandatory that dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Notice in this regard have already been published earlier in newspapers as per Regulations. Those shareholders who have still not provided their IBAN are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and send it duly signed along with a copy of valid CNIC to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to Company's Share Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block B, SMCHS, Karachi-74400 (in case of shareholding in Physical Form).

1.	**Shareholder's details**	
	Name of the Shareholder(s)	
	Folio No./CDS Account No(s)	
	CNIC No (copy attached)	
	Mobile / Landline No	
2.	**Shareholders' Bank details**	
	Title of Bank Account	
	International Bank Account Number (IBAN)	
	Bank's Name	
	Branch's Name and Address	

5. **Withholding Tax on Dividend:**
Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and currently, the deduction of withholding tax on the amount of dividend paid by the companies based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% and 30% respectively where 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (http://www.fbr.gov.pk/) and 'Non-Active' means a person whose name is not being appeared on the Active Taxpayers List.

In case of joint account, each holder is to be treated individually as either 'Active' or 'Non-Active' and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total No. of Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding Proportion (No. of shares)	Name & CNIC No.	Shareholding Proportion (No. of shares)

The required information must reach the Share Registrar of the Company before the close of the business on October 16, 2020 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Shareholder(s).

As per FBR Circulars C. No.1 (29) WHT/2006 dated 30 June 2010 and C. No.1 (43) DG (WHT)/2008-Vol. II-66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to the Company's Share Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL), before book closure otherwise tax will be deducted on dividend as per applicable rates.

In case of non-provision of IBAN, the Company will have to withhold the cash dividend according to SECP directives.

6. **Electronic Transmission of Audited Financial Statements & Notices**
   The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its Members through e-mail. Accordingly, Members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail.

   Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice. Annual Financial Statements will be sent at your registered address, as per normal practice.

7. **Video Conference Facility**
   Members can avail video conference facility, in this regard, please fill the following and submit to head office of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

   "I/We, ____________ of ___________, being a member of Sana Industries Limited, holder of __________ ordinary shares(s) as per Registered Folio/CDC Account No.________ hereby opt for video conference facility at _____________".

8. **Deposit of Physical Shares in CDC Accounts:**
   As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and form the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017.

   The shareholders having physical shareholding may please open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form.

   For any query/information, the investors may contact the Company's Share Registrar.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

A Statement under Section 134(3) of the Companies Act, 2017 pertaining to the Resolutions is appended below:

Ordinary resolution

AGENDA NO.5 – TRANSACTIONS WITH SUBSIDIARY COMPANY.
The Company in the normal course of business carries out transactions with its subsidiary Company Sana Logistics (Private) Limited for re-imbursement of Rent, Electricity, Maintenance, Health Insurance and Contractor payments etc. amounting Rs.41.04 million.

The Company in the normal course of business carries out transactions with its subsidiary Company Sana Distributors (Private) Limited for re-imbursement of Rent, Electricity, Maintenance, Health Insurance and Contractor payments etc. amounting Rs.1.45 million.

Majority of the directors were interested in these transactions due to common directorship in associated Company, which have to be approved by the shareholders in the General Meeting. Therefore, the transactions carried out during the financial year ended June 30, 2021 are being placed before the shareholders for their consideration and approval / ratification.

All related party transactions, during the year 2021, were reviewed and approved by the Audit Committee and the Board in their respective meetings. The transactions with related party were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method.

AGENDA NO.6.
To authorize the Chief Executive Officer of the Company to approve transactions with Related Party for the financial year ending June 30, 2022 which shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.

Special Resolution
AGENDA NO.7.

Amendment in Article No. 83 of the Articles of Association of the Company

At present Article No. 83 of the Articles of Association of the Company provides that the qualification of a director is his holding of shares at-least of the nominal face value of Rs. 25,000/-, however, as per section 153(i) of the Companies Act, 2017 a person is eligible for appointment as a director of the company if he is a member of the Company. The present provision of the Article 83 is not in confirmative with section 153 of the companies Act, 2017, therefore, it is required to be amended, and accordingly the following resolution is proposed to be passed if thought fit, with or without modification as Special Resolution:

"**RESOLVED THAT** the Article 83 of the Articles of Association of the Company be and is hereby substituted as under:

83. "A person shall be eligible for appointment as a director of the Company if he is a member of the Company relatable in the case of a person representing a member which is not a natural person."

MATERIAL FACTS TO BE DISCLOSED AS REQUIRED BY CLAUSE A(4) OF SRO 423(I)/2018 DATED APRIL 03, 2018 REGARDING ALTERING ARTICLES OF ASSOCIATION OF THE COMPANY U/S.38 OF THE COMPANIES ACT, 2017

S.#	Facts to be disclosed	Facts	
I	Comparative statement	**Existing**	**Amended**
	Article 83 of the Articles of Association	The qualification of a Director shall be his holding of shares of the nominal face value of Rs.25,000/- at least, in his own name, relaxable in the case of Directors representing interest holding shares of the requisite value.	A person shall be eligible for appointment as a director of the Company if he is a member of the Company relaxable in the case of a person representing a member which is not a natural person.
ii	Reasons for change of Article 83 of Articles of Association of the Company	At present Article No. 83 of the Articles of Association of the Company provides that the qualification of a director is his holding of shares at-least of the nominal face value of Rs.25,000/-, however, as per Section 153(i) of the Companies Act, 2017 a person is eligible for appointment as a director of the company if he is a member of the company. The present provision of the Article 83 is not in confirmative with section 153 of the Companies Act, 2017, therefore, Article 83 of the Articles of Association of the Company is proposed to be substituted accordingly.	
iii	Statement that the proposed alteration is in line with the applicable provisions of the law and regulatory frame work.	It is confirmed that the proposed alteration is in line with the applicable provisions of the law and regulatory frame work.	

INTEREST OF DIRECTORS IN SPECIAL BUSINESS

The Directors are interested in the special businesses only to the extent of their shareholding in the Company.

Sama Industries Limited

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ سما انڈسٹریز لمیٹڈ کا 36واں سالانہ اجلاس عام 27 اکتوبر 2021ء (بدھ) کو وقت شام 5:00 بجے کمپنی کے دفتر بمقام D-2-33، بلاک 6، P.E.C.H.S. کراچی میں درج امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

1۔ 8 فروری 2021 کو منعقدہ غیر معمولی اجلاس کی کارروائی کا مطالعہ اور توثیق کرنا۔

2۔ 30 جون 2021 کو مختتمہ سال کیلئے کمپنی کی آڈٹ شدہ مالی اسٹیٹمنٹس معہ ڈائریکٹران اور آڈیٹران کی رپورٹس کی وصولی، غور و خوض اور ان کی قبولیت۔

3۔ 30 جون 2021 کو ختم ہونے والے سال کے لئے 15 فیصد کے حتمی نقد ڈیویڈنڈ پر غور کرنے اور اس کی منظوری دینے کے لئے (عبوری ڈیویڈنڈ کے علاوہ 10 فیصد کے حساب سے دوران سال پہلے ہی ادا کیا جاچکا ہے)۔ 30 جون 2021 کو ختم ہونے والے سال کے لئے نقد ڈیویڈنڈ کی مجموعی تقسیم 25 فیصد کے لیے ڈائریکٹرز نے سفارش کی ہے۔

4۔ 30 جون 2022 مختتمہ سال کے لئے آڈیٹران کا تقرر۔ موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے اور اہل ہونے کی بنا پر خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

خصوصی امور:

عام قرارداد

5۔ 30 جون 2021 مختتمہ سال کیلئے متعلقہ پارٹیوں کے ساتھ کی گئی ٹرانزیکشنز کی درج ذیل عمومی قرارداد کو معہ یا بلا ترمیم پاس کر کے توثیق اور منظوری دینا۔

"قرار پایا کہ 30 جون 2021 مختتمہ سال کیلئے کمپنی کی غیر تنقیح شدہ مالی گوشواروں کے نوٹ نمبر 43 میں منکشف اور سیکشن (3)134 کے تحت مادی معلومات کے بیان میں مرحوبہ تمام متعلقہ پارٹیز ٹرانزیکشنز کمپنی کی طرف سے کی گئی ہیں اور بذریعہ ہذا ان کی توثیق اور منظوری دی جاتی ہے۔"

6۔ مندرجہ ذیل عام قرارداد کو معہ یا بغیر ترمیم کے منظور کر کے کمپنی کے چیف ایگزیکٹو آفیسر کو 30 جون 2022 کو ختم ہونے والے مالی سال کے لئے متعلقہ پارٹی کے ساتھ لین دین کی منظوری دینے کا اختیار دینا۔

"قرار پایا کہ کمپنی کا جو چیف ایگزیکٹو آفیسر ہے اور بذریعہ ہذا 30 جون 2022 کو ختم ہونے والے مالی سال کے معاملے کی بنیاد پر متعلقہ پارٹی کے ساتھ ہونے والے لین دین کو منظور کرنے کا اختیار رکھتا ہے۔"

"مزید قرار پایا کہ کہ یہ لین دین خصوصی نشستوں کے ذریعہ منظور شدہ سمجھا جائے گا اور ان کے باضابطہ توثیق / منظوری کے لئے اگلے سالانہ جنرل اجلاس میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔"

خصوصی قرارداد

(7) کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل نمبر 83 میں ترمیم پر غور و خوض اور اگر مناسب سمجھا جائے تو ترمیم کے ساتھ یا اس کے بغیر مندرجہ ذیل قرارداد کو بطور خصوصی قرارداد منظور کرنا:

"قرار پایا کہ کمپنی کے آرٹیکل آف ایسوسی ایشن کا آرٹیکل 83 سے اور بذریعہ ہذا اس کی جگہ مندرجہ ذیل ہے:

83۔ "کوئی شخص کمپنی کے ڈائریکٹر کے طور پر تقرری کا اہل ہوگا اگر وہ کمپنی کا ممبر ہے یا کسی ایسے ممبر کی نمائندگی کرنے والے شخص کی صورت میں جو کہ نیچرل شخص نہیں ہے۔"

کوئی دیگر امور

8۔ صدر نشین کی اجازت سے کوئی اور امور نمٹانا۔

بحسب الحکم بورڈ

(عبدالحسیب ناشاریہ)

کمپنی سیکریٹری

کراچی

05 اکتوبر 2021ء

نوٹس:

1۔ اطلاع کتابوں کی بندش

کمپنی کی منتقلی حصص کی کتابیں 20 اکتوبر 2021 تا 27 اکتوبر 2021 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (CDCSRSL)، سی ڈی سی ہاؤس، B-99، بلاک B، S.M.C.H.S، کراچی 74400 میں 19 اکتوبر 2021 کو کاروبار کے اختتام تک وصول ہونے والی منتقلیاں اجلاس میں شرکت کیلئے بروقت تصور ہوں گی۔

2۔ سالانہ اجلاس عام میں شرکت

شیئرز کا کوئی انفرادی مستفید مالک اپنی شناخت ثابت کرنے کے لئے اپنا اصل CNIC یا پاسپورٹ، اکاؤنٹ اور رجسٹریشن آئی ڈی نمبرز ساتھ لائے گا اور کارپوریٹ ارکان کی صورت میں بورڈ کی قرارداد / مختار نامہ اور نمونہ دستخط ساتھ لانے ہوں گے۔ سی ڈی سی اکاؤنٹ ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کی طرف سے جاری شدہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی مندرجہ ذیل گائیڈ لائنز کی پیروی کرنی ہوگی۔

اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ممبر اپنی بجائے شرکت اور ووٹ دینے کیلئے کسی دوسرے ممبر کو اپنا پراکسی مقرر کرسکتا / سکتی ہے۔ پراکسیاں اس وقت تک مؤثر ہوں گی جب اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر D-2-33، بلاک 6، P.E.C.H.S.، کراچی (فون نمبر: 59-34322556) میں لازماً جمع کرائی جائیں اور وہ درست شدہ ہوں۔ ایک سے زیادہ پراکسی مقرر کرنے کا اہل نہیں ہوگا۔

ارکان سے التماس ہے کہ اپنے پتوں، زکوٰۃ ڈیکلریشن (CZ-50) اور ٹیکس ایگزمپشن سرٹیفکیٹ میں کوئی تبدیلی (اگر کوئی ہو) فی الفور کمپنی کے شیئر رجسٹرار سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو مطلع کریں۔

3۔ NTN/CNIC نمبر جمع کرانا (لازمی)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے نوٹیفکیشن SRO 779(I) مورخہ 18 اگست 2011 اور SRO 831(I) مورخہ 05 جولائی 2012 کے مطابق، جس میں لازمی قرار دیا گیا ہے کہ ڈیویڈنڈ وارنٹ پر رجسٹرڈ رکن یا مجاز فرد، سوائے نابالغ اور افراد کے CNIC نمبر لازماً تحریر ہونے چاہئیں اور کارپوریٹ ممبرز سے التماس ہے کہ وہ کمپنی کے شیئر رجسٹرار کو جمع کرائیں۔ عدم تعمیل کی صورت میں، کمپنی قانون کے مطابق ڈیویڈنڈ کا کریڈٹ روک سکے گی۔

4۔ نقد منافع حصص کی الیکٹرانک ادائیگی (ڈیویڈنڈ مینڈیٹ)

کمپنیز ایکٹ 2017ء کے سیکشن 242 پروویژنز اور کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز 2017 کے مطابق لسٹڈ کمپنیوں کے لئے ضروری ہے کہ نقد منافع حصص کا لین دین صرف الیکٹرانک موڈ کے ذریعہ براہ راست حقدار حصص داران کی طرف سے منسوب بینک اکاؤنٹ میں کیا جائے گا۔ اس ضمن میں قواعد کے مطابق نوٹس پہلے ہی اخبارات میں شائع ہو چکے ہیں۔ وہ حصص یافتگان جنہوں نے ابھی تک اپنا IBAN فراہم نہیں کیا ہے ان سے ایک بار پھر درخواست کی گئی ہے کہ وہ نیچے دیئے گئے "الیکٹرانک کریڈٹ مینڈیٹ فارم" کو پُر اور دستخط شدہ معہ کارآمد CNIC کی کاپی اپنے متعلقہ سی ڈی سی شرکاء / سی ڈی سی انویسٹر اکاؤنٹ سروسز کو (بک انٹری فارم میں شیئر ہولڈنگ کی صورت میں) یا کمپنی کے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (سی ڈی سی ایس آر ایس ایل)، سی ڈی سی ہاؤس، 99-بی، بلاک بی، ایس ایم سی ایچ ایس، کراچی-74400 کو (مادی شکل میں شیئر ہولڈرز کی صورت میں) ارسال کریں۔

i- **شیئر ہولڈرز کی تفصیلات**	
نام شیئر ہولڈرز	
فولیو نمبر / سی ڈی ایس اکاؤنٹ نمبر	
CNIC نمبر کاپی منسلک ہو	
موبائل / لینڈ لائن نمبر	
ii- **شیئر ہولڈر کے بینک کی تفصیلات**	
عنوان بینک اکاؤنٹ	
انٹرنیشنل بینک اکاؤنٹ نمبر IBAN	
بینک کا نام	
برانچ کا نام اور پتہ	

5۔ ڈیویڈنڈ پر ود ہولڈنگ ٹیکس کی کٹوتی

انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت حصص کی ڈیویڈنڈ آمدنی پر ود ہولڈنگ ٹیکس کی کٹوتی لازمی ہے اور لسٹڈ کمپنیوں کے ذریعہ ادا کردہ منافع کی رقم پر ود ہولڈنگ ٹیکس میں کٹوتی حصص یافتگان کی، ایکٹو اور نان ایکٹو حیثیت پر مبنی بالترتیب 15 فیصد اور 30 فیصد ہوگی جہاں "ایکٹو" کا مطلب ہے وہ شخص جس کا نام ایف بی آر کی ای پورٹل (http://www.fbr.gov.pk/) پر دستیاب ایکٹو ٹیکس دہندگان کی فہرست پر ظاہر ہوتا ہے، اور "نان ایکٹو" سے مراد وہ شخص جس کا نام ایکٹو ٹیکس دہندگان کی فہرست میں شامل نہیں ہے۔

مشترکہ کھاتہ کی صورت میں، ہر ہولڈر کو انفرادی طور پر ایکویا ٹی ہولڈر سمجھا جائے گا اور ہر مشترکہ ہولڈر کی شیئر ہولڈنگ کی بنیاد پر ٹیکس میں کٹوتی کی جائے گی۔ جیسا کہ ادارے، شیئر رجسٹرار کو شیئر ہولڈر کے ذریعے مطلع کیا جائے گا۔ اگر مطلع نہیں کیا گیا تو ہر مشترکہ ہولڈر کو مساوی حصص کی حیثیت سے سمجھا جائے گا۔

کمپنی کا نام	فولیو/سی ڈی سی اکاؤنٹ نمبر	کل حصص	نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)	نام اور CNIC نمبر	شیئر ہولڈنگ تناسب (حصص کی تعداد)

مطلوبہ معلومات کمپنی کے شیئر رجسٹرار کے پاس 16 اکتوبر 2021 کو کاروبار کے اختتام سے قبل فراہم کی جانی چاہیں بصورت دیگر یہ فرض کر لیا جائے گا کہ پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈرز کے ملکیتی حصص مساوی ہیں۔

ایف بی آر سرکلرز C.No.1(29)TWH/2006 مورخہ 30 جون 2010 اور C.No.1(43)DG(WHT)/2008-Vol.II-66417-R مورخہ 12 مئی 2015 کے مطابق انکم ٹیکس آرڈیننس 2001 (ٹیکس آرڈیننس) کی دفعہ 150 کے تحت ود ہولڈنگ ٹیکس کی ایگزیمپشن کلیم کرنے کیلئے کارآمد ایگزیمپشن سرٹیفکیٹ ضروری ہے جہاں سیکنڈ شیڈول کے پارٹ IV کی کلاز 47B کے تحت Statutory ایگزیمپشن دستیاب ہے۔ حصص داران جو مذکورہ بالا کلاز میں مذکور کیٹیگری میں آتے ہیں اور آرڈیننس کی دفعہ 150 کے تحت ایگزیمپشن سے مستفید ہونا چاہتے ہیں، کمپنی کے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (CDCSRSL) کو ڈیویڈنڈ کی بندش سے قبل کارآمد ٹیکس ایگزیمپشن سرٹیفکیٹ فراہم کریں بصورت دیگر قابل اطلاق شرحوں کے مطابق ٹیکس منہا کیا جائے گا۔

IBAN کی عدم فراہمی کی صورت میں، کمپنی SECP کی ہدایات کے مطابق نقد منافع منقسمہ کو روک لینے پر مجبور ہوگی۔

6۔ بذریعہ ای میل آڈٹ شدہ مالی حسابات، سالانہ اجلاس عام کے نوٹس کی الیکٹرانک ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے نوٹیفکیشن SRO(I)/2014 مورخہ 8 ستمبر 2014 کے ذریعے کمپنیوں کو آڈٹ شدہ مالی حسابات مع سالانہ اجلاس عام کے نوٹس اپنے ارکان کو بذریعہ ای میل ترسیل کرنے کی اجازت دی ہے۔ اس کے مطابق، ارکان سے درخواست ہے کہ آڈٹ شدہ مالی حسابات اور نوٹس بذریعہ ای میل وصول کرنے کے لیے اپنی رضامندی اور ای میل ایڈریس فراہم کریں۔

بذریعہ ای میل وصول کرنے کے بجائے سالانہ مالی حسابات کی وصولی کے لیے ای میل ایڈریس دینا آپشنل ہے۔ بصورت دیگر اگر آپ اس سہولت سے مستفید نہیں ہونا چاہتے اس نوٹس کو نظر انداز کر دیں۔ سالانہ مالی حسابات معمول کے مطابق آپ کے رجسٹرڈ پتہ پر ارسال کر دیے جائیں گے۔

7۔ ویڈیو کانفرنس سہولت

اراکین ویڈیو کانفرنس سہولت سے مستفید ہو سکتے ہیں۔ اس سلسلے میں درج ذیل فارم پُر کر کے کمپنی کے ہیڈ آفس میں سالانہ اجلاس عام کے انعقاد سے 10 یوم قبل جمع کرائیں۔ اگر کمپنی مجموعی طور پر 10% یا زیادہ شیئر ہولڈنگ کے مالک جغرافیائی مقام میں مقیم حصص داران سے اجلاس میں ویڈیو کانفرنس کے ذریعے شرکت کے لئے رضامندی اجلاس کی تاریخ سے کم از کم 10 یوم قبل وصول کرتی ہے تو کمپنی اس شہر میں ایسی سہولت کی دستیابی کے حوالے سے شہر میں ویڈیو کانفرنس سہولت کا انتظام کرے گی۔

"میں / ہم .... ساکن .... بحیثیت شاہ تاج شوگر ملز لمیٹڈ، مالک .... عام حصص بمطابق رجسٹرڈ فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر .... بذریعہ ہذا .... میں ویڈیو کانفرنس سہولت اختیار کرنا چاہتے ہیں۔

دستخط حصص دار ...."

8۔ سی ڈی سی اکاؤنٹس میں فزیکل شیئرز کو جمع کرانا:

کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق ہر موجودہ کمپنی کو کمپنیز ایکٹ 2017 کے آغاز سے چار سالوں سے زیادہ نہیں مدت کے اندر SECP کی طرف سے جاری کردہ مقررہ طریقہ اور شکل کے اندر اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا ضروری ہوگا۔

فزیکل شیئر ہولڈنگ والے حصص یافتگان سے درخواست ہے کہ وہ حصص کو اسکرپ لیس شکل میں رکھنے کے لئے کسی بھی بروکر کے پاس سی ڈی سی سب اکاؤنٹ یا براہ راست سی ڈی سی کے پاس انویسٹرز اکاؤنٹ کھولیں۔ کسی بھی استفسار/معلومات کے لئے سرمایہ کار، کمپنی کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

اسٹیٹمنٹ زیر دفعہ (3)134 آف کمپنیز ایکٹ 2017

قرار داد سے متعلق کمپنیز ایکٹ 2017 کی دفعہ (3)134 کے تحت بیان حسب ذیل ہے

عام قرارداد

ایجنڈا آئٹم نمبر 5۔ ذیلی کمپنی کے ساتھ لین دین

معمول کے کاروبار کے دوران کمپنی نے اپنی ذیلی کمپنی شاہ جہان (پرائیویٹ) لمیٹڈ کے ساتھ کرایہ، بجلی، بحالی، یوٹیلیٹی، انشورنس اور فیکٹری اور ٹیکس وغیرہ کی ادائیگی کی مد میں 41.04 ملین روپے کا لین دین کیا ہے۔

کمپنی کے کاروبار کے ضمن میں اپنی ذیلی کمپنی شاہ تاج ٹیکسٹائل (پرائیویٹ) لمیٹڈ کے ساتھ کرایہ، بجلی، دیکھ بھال، یوٹیلیٹی، انشورنس اور کنسٹرکشن وغیرہ کی بحالی کے لیے لین دین کرتی ہے جس کی رقم 1.45 ملین ہے۔

اکثر ڈائریکٹرز ان کمپنیوں میں مشترکہ ڈائریکٹرشپ کی وجہ سے ان لین دین میں دلچسپی رکھتے تھے، اجلاس عام میں حصص یافتگان نے اس کی منظوری دی ہوتی ہے۔ لہٰذا، 30 جون 2021 کو ختم ہونے والے مالی سال کے دوران کئے گئے لین دین کو شیئر ہولڈرز کے سامنے ان کی غور و خوض اور منظوری/توثیق کے لئے رکھا جا رہا ہے۔

سال 2021 کے دوران پارٹی سے متعلق تمام لین دین کا جائزہ لیا گیا اور آڈٹ کمیٹی اور بورڈ نے اپنے متعلقہ اجلاسوں میں اس کی منظوری دی۔ متعلقہ فریق کے ساتھ لین دین قابل رسائی قیمتوں کے موازنہ کے طریقہ کار کے مطابق طے شدہ قیمتوں پر کیا گیا تھا۔

ایجنڈا نمبر 6

کمپنی کے چیف ایگزیکٹو آفیسر کو 30 جون 2022 کو ختم ہونے والے مالی سال کے لئے متعلقہ پارٹی کے ساتھ لین دین کی منظوری کا اختیار دینا، جو حصص یافتگان کے سامنے ان کی باضابطہ توثیق/منظوری کے لیے اگلے سالانہ اجلاس عام میں رکھے جائیں گے۔

خصوصی قرارداد

ایجنڈا نمبر 7

کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل نمبر 83 میں ترمیم

فی الوقت کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل نمبر 83 میں فراہم کیا گیا ہے کہ ڈائریکٹر کی اہلیت معمول کی فیس ویلیو کے کم از کم حصص کی ملکیت -/25,000 روپے ہے۔ جبکہ کمپنیز ایکٹ، 2017 کے سیکشن (i)153 کے مطابق اگر کوئی شخص کمپنی کا ممبر ہے تو وہ کمپنی کے ڈائریکٹر کے طور پر تقرری کا اہل ہے۔ آرٹیکل 83 کی موجودہ شق کمپنیز ایکٹ، 2017 کے سیکشن 153 کے مطابق توثیق شدہ نہیں ہے اس لیے اس میں ترمیم کی ضرورت ہے۔ اس کے مطابق مندرجہ ذیل قرارداد کو اگر مناسب سمجھا گیا تو ترمیم کے ساتھ یا اس کے بغیر بطور خصوصی قرارداد منظور کیا جائے گا

"قرار پایا ہے کہ کمپنی کے آرٹیکل آف ایسوسی ایشن کا آرٹیکل 83 ہے اور بذریعہ ہذا اس کی جگہ مندرجہ ذیل ہے:

83۔ "کوئی شخص کمپنی کے ڈائریکٹر کے طور پر تقرری کا اہل ہوگا اگر وہ کمپنی کا ممبر ہو یا کسی ایسے ممبر کی نمائندگی کرنے والے شخص کی صورت میں جو کہ نیچرل شخص نہیں ہے۔"

کمپنیز ایکٹ کی دفعہ 38 کے تحت کمپنی کے آرٹیکل آف ایسوسی ایشن کی مجوزہ تبدیلی حوالے سے SRO 423(1)/2018 مورخہ 03 اپریل 2018 کی کلاز (A94) کے تحت منکشف کیے جانے والے مادی حقائق

نمبر شمار	ظاہر کیے جانے والے حقائق	حقائق	
	تقابلی بیان	موجودہ	ترمیم شدہ
i	آرٹیکل آف ایسوسی ایشن کا آرٹیکل 83	ایک ڈائریکٹر کی اہلیت اس کی ملکیت میں اس کے نام میں، معمول کی فیس ویلیو کے حصص کی مالیت کم از کم 25,000 روپے بطور قیمت کے حصص کے حصول کی نمائندگی کرنے والے ڈائریکٹر کی صورت میں قابل اطلاق ہے۔	کوئی شخص کمپنی کے ڈائریکٹر کے طور پر تقرری کا اہل ہوگا اگر وہ کمپنی کا ممبر ہو یا کسی ایسے ممبر کی نمائندگی کرنے والے شخص کی صورت میں جو کہ نیچرل شخص نہیں ہے۔
ii	کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 83 میں تبدیلی کی وجوہات	فی الوقت کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل نمبر 83 میں فراہم کیا گیا ہے کہ ڈائریکٹر کی اہلیت معمول کی فیس ویلیو کے کم از کم حصص کی ملکیت -/25,000 روپے ہے۔ جبکہ کمپنیز ایکٹ، 2017 کے سیکشن (i)153 کے مطابق اگر کوئی شخص کمپنی کا ممبر ہے تو وہ کمپنی کے ڈائریکٹر کے طور پر تقرری کا اہل ہے۔ آرٹیکل 83 کی موجودہ شق کمپنیز ایکٹ، 2017 کے سیکشن 153 کے مطابق توثیق شدہ نہیں ہے اس لیے اس میں، اس کے مطابق کمپنی کے آرٹیکل آف ایسوسی ایشن کا آرٹیکل 83 کو تبدیل کرنے کی تجویز دی گئی ہے۔	
iii	بیان ہے کہ مجوزہ تبدیلی قانون اور ریگولیٹری فریم ورک کی قابل اطلاق شقوں کے مطابق ہے۔	اس بات کی تصدیق کی جاتی ہے کہ مجوزہ تبدیلی قانون اور ریگولیٹری فریم ورک کی قابل اطلاق شقوں کے مطابق ہے۔	

خصوصی امور میں ڈائریکٹرز کی دلچسپی

ڈائریکٹرز خصوصی امور میں صرف کمپنی میں اپنی شیئر ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

REVIEW REPORT BY THE CHAIRMAN

The Company Complies with all material requirements set out in companies act, 2017 with respect to the board of Directors and its committees. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors (the "Board") of Sana Industries Limited has been carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended 30 June 2021, the Board's overall performance and effectiveness has been assessed as satisfactory, which is based on an evaluation of integral components including vision, mission and values.

The Board has a clear understanding of the stakeholders whom the Company serves, engagement in strategic planning, formulation of policies, monitoring the organization's business activities and financial resource management, effective fiscal oversight, equitable treatment of all employees and efficiency in carrying out the Board's business. Further, the Board sets annual goals and targets for the management in all major performance areas.

The Board members diligently performed their duties and thoroughly reviewed, discussed and approved Corporate Objectives, Plans, Business Strategies, budgets, financial statements and other reports. It received agendas and written material in sufficient time prior to board and committee meetings. The Board meets frequently enough to adequately discharge its responsibilities.

The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors, who were equally involved in important decisions.

(Ibrahim Younus)
Chairman.

Karachi: 5th October, 2021.

Directors' Report

The Directors of your company take pleasure in presenting before you the financial results of the company for the financial year ended June 30, 2021.

The principal business activities of your company are manufacturing and sale of man-made fiber yarn. In 2006, the company decided to diversify into logistics business, thereby in 2017 as business grew, we established Sana Logistics (Private) Limited as a subsidiary of Sana Industries Limited with an independent & focused team. In 2020, in a second major diversification plan, the company inducted Sana Distributors (Pvt) Limited under its wings as its wholly owned subsidiary.

During the period under consideration, Pakistan's textile industry showed revival after subsiding the negative impact of Covid19 related lockdowns. The Government's policy for maintaining low policy rate and incentives for trade and industry is helping the businesses to perform well.

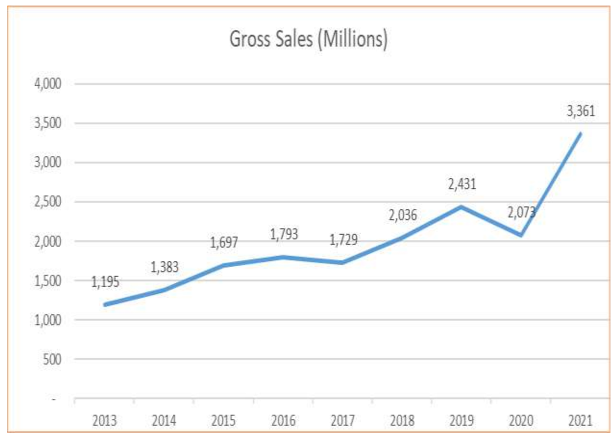
The consolidated results of financial year ended June 30, 2021, have shown improvement as compared to the corresponding period of last year, also as compared to 2019 (as 2020 was a COVID affected year), due to increase in sales of textile division, addition of new subsidiary, Sana Distributors (Pvt) Limited, along with notable decrease in finance costs.

Post pandemic situation has bolstered global economic activity by overall increase in aggregate demand thereby resulting in acceleration of sale price of yarn coupled with an increase in yarn quantities because of achieving the right product mix.

Financial Results

The consolidated financial results of the company for the year ended June 30th, 2021, are summarized below:

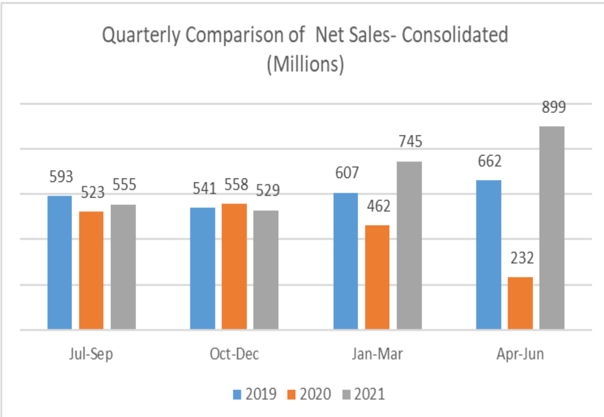
Net Revenue (Rs.)	2,717,396,359
Profit before taxation (Rs.)	140,732,434
Profit after taxation (Rs.)	77,365,707



During the year, the company has started a new segment, Sana Distributors Private Limited, which is a wholly owned subsidiary by virtue of investment of Rs. 60 million in its equity. The operations have commenced from February 2021, and the aforesaid subsidiary has posted gross revenue of Rs. 534,456,736/-.

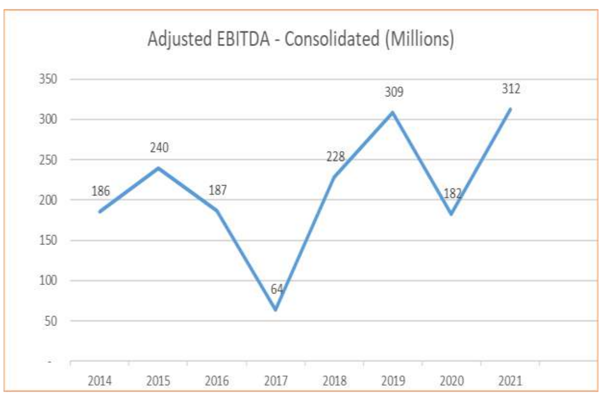
Alhumdulillah, during this year, the company has managed to post highest ever gross revenue of Rs. 3,361,197,337/- (Rs. 3.36 billion) as compared to gross revenue of Rs. 2,072,526,864 (Rs. 2.072 billion) for the same period last year and gross revenue of Rs. 2,431,013,415/- (Rs. 2.43 billion) for 2019. This feat has been achieved on the back of increased demand of yarn, acceleration of selling price of yarn and operational induction of Sana

Distributors (Pvt) Limited as a wholly owned subsidiary.



Adjusted EBITDA

EBITDA (earnings before interest, tax, depreciation, and amortization) has been presented for the past 8 years adjusted for the impact of depreciation and finance cost of right of use asset under IFRS 16 and the amount of actual rent paid has been deducted from profit to depict a true picture of the operational affairs of the company.



To facilitate our Shareholders, following comparisons of operating and financial data have been annexed with this report:

- Comparison with last year (Annex-A)
- Comparison with previous quarter. (Annex-B)
- Quarter-wise comparative balance sheets (Annex-C)
- Quarter-wise comparative profit and loss accounts (Annex-D)
- Statistical summary of key operating and financial data of last 6 years (Annex-E)

Economic Prospects

The future outlook looks stable and local demand is expected to remain strong. The management is taking measures to achieve technological upgradation thereby increasing production capacity and sales.

Prospects of economic growth sound promising. Post-pandemic economic recovery aptly provided impetus by favorable government reforms has restored investors' confidence and allowed the local industry to flourish in both local and international market in the current financial year.

During the year, exports of the country increased by 18.3% to USD 25.3 billion in the current financial year as compared to USD 21.4 billion in the same period last year. Primary contribution to this growth has been provided by the textile sector.

Nevertheless, there has been steep rise in imports which touched USD 56.4 billion, an increase of 26.6% as compared to same period last year. Main commodities imported were iron and steel and petroleum products.

Despite the lofty rise in imports, current account deficit situation improved by 58% and reached USD 1.9 billion from USD 4.4 billion in the current financial year. The prime determinant for this feat has been inflows of foreign remittances which increased by 26.9% at the back of favorable policies rolled out by the Government of Pakistan.

Inflation rate, which is mainly dependent on fiscal and monetary policies, international commodity prices and exchange rate, witnessed a declining trend in the last quarter of the financial year. The general rate of inflation for June 2021 was recorded at 9.7% as compared to 11.1% in April 2021. The government is making all out efforts to increase efficiency of domestic food market which shall eventually help control the inflation.

The overall economic prospects of Pakistan's economy despite the vulnerabilities mentioned above look manageable.

Future Outlook of the Company

As announced at the close of half yearly financials, December 31, 2020, the company has raised funds to the tune of Rs. 120.312 million from right issue.

Current production capacity of textile unit is based on 31,488 spindles. The company has embarked on an expansion project to the tune of Rs. 400 million. The project is being funded as follows:

Islamic Temporary Economic Relief Facility (iTerf) (Dubai Islamic Bank Rs. 150 million + Bank Al Habib Limited Rs. 100 million)	Rs. 250 million
Diminishing Musharika (Bank Al Habib Limited)	Rs. 50 million
Own Sources	Rs. 100 million
Total	Rs. 400 million

The project shall include an addition of 2400 spindles of ring spinning and 3 Murata Vortex Machines giving the production a lift equivalent to 5700 spindles. Murata Vortex Machine is a newer, modern, and lean technology which is not only cost effective, but it shall also add much value to our current product mix.

Hence, the total lift in production capacity will be equivalent to 8100 spindles giving us a consolidated base capacity of 39,588 spindles. This signifies an increase of 25.72% in the production capacity. Pre and post expansion production capacity figures are tabulated below:

Current Capacity	31,488
Post Expansion – Increase in spindles (equivalent)	8100
Total Post Expansion Capacity	39,588
Percentage Increase	25.72%

The shipment of the aforementioned equipment is expected to arrive by March 2022 and installation shall be completed by June 2022. Production with enhanced capacity shall tentatively commence by 1st financial quarter of 2022.

Auditors

The present Auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ended June 30, 2022.

Pattern of Holding of Shares

The Pattern of Holding of Shares as prescribed by the SECP Circular dated 28/3/2002 to the Stock Exchange has been included in the Annual Report.

Dividend and Bonus Announcement

A final cash dividend has been announced for the year ended June 30th, 2021 at Rs. 1.50 per share i.e. 15%. This is in addition to interim dividend already paid at Rs. 1.00 per share i.e. 10%. Hence, total dividend announced for the year works out to 25%. It has also been announced to issue bonus shares in the proportion of 1 share for every 10 shares held i.e. 10%.

Directors' Statement

(1) The financial statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.

(2) The Company has maintained proper books of account.

(3) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

(4) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom, if any, has been adequately disclosed and explained.

(5) The system of internal control is of sound design and has been effectively implemented and monitored.

(6) There are no significant doubts upon the Company's ability to continue as a going concern.

(7) There has been no material departure from the best practices of corporate governance, as detailed in the Stock Exchange's Listing Regulations.

(8) The Company operates an approved gratuity fund, being administered by a gratuity fund trust, covering all its employees who have completed their qualifying period. The Project Unit Credit Actuarial Cost Method (PUC) was used for calculating the accounting entries, which method is mandated under the latest version of IAS-19. The most recent actuarial valuation of the scheme was carried out at 30th June, 2021. Total of assets / investments as on 30/6/2021 were Rs. 53,184,542/=

Board of Directors

Elections of Directors was held in the Extra-ordinary General Meeting held on 3/12/2019, in accordance with the provisions of Section 178 of the Companies Ordinance, 1984 for a term of three years, commencing from 3/12/2019. A total of 5 Meetings of the Board of Directors were held during the financial year ended 30th June 2021. Number of Meetings attended by each Directors are stated there against:

Name of Directors	Number of meeting attended
1. Mr.Mohammed Younus Nawab	5
2. Mr.Mohammed Irfan Nawab	5
3. Mr.Ibrahim Younus	5
4. Mr.Ismail Younus	5
5. Mr.Muhammad Faizaullah	5
6. Mr.Mohammed Ashfaq	5
7. Ms.Areej Rafique	5

Following trades in the shares of the Company were carried out by its Directors, CEO, Company's Secretary and their spouses and minor children during the current financial year:

Date of Transaction	Purchaser	No of shares	Nature	Rate/Share
PURCHASES				
04-5-2021	Mohammed Irfan Nawab	85,937	Gift-in	10.00
25-5-2021	Mohammed Younus Nawab	649,895	Right	50.00
25-5-2021	Mohammed Irfan Nawab	636,264	Right	50.00
25-5-2021	Ibrahim Younus	71,661	Right	50.00
25-5-2021	Ismail Younus	77,272	Right	50.00
25-5-2021	Muhammad Faizanullah	79,686	Right	50.00
25-5-2021	Sabiha Younus	111,039	Right	50.00
25-5-2021	Afshan Irfan	363,554	Right	50.00
25-5-2021	Areej Rafique	700	Right	50.00
31-5-2021	Muhammad Faizanullah	102,146	Gift-in	50.00
21-6-2021	Ibrahim Younus	200,000	Gift-in	50.00
21-6-2021	Ismail Younus	200,000	Gift-in	50.00
SALES				
04-5-2021	Afshan Irfan	85,937	Gift-out	10.00
31-5-2021	Mohammed Irfan Nawab	102,146	Gift-out	50.00
31-5-2021	Mohammed Irfan Nawab	170,564	Gift-out	50.00
21-6-2021	Mohammed Younus Nawab	200,000	Gift-out	50.00
21-6-2021	Mohammed Younus Nawab	200,000	Gift-out	50.00

Acknowledgement

We would like to place on record our deepest gratitude to all stakeholders (internal/ external), banks, financial institutions, relevant ministries and regulators for their continuous support towards the growth of the company. We acknowledge the hard work, devotion and loyalty of the staff and workers without whom continued success could not have been achieved. We look forward to the same devotion and cooperation in the years to come.

On behalf of the Board

(Mohammed Irfan Nawab)
Chief Executive

(Muhammad Faizanullah)
Director

Karachi: October 5th, 2021

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے مالیاتی سال کے لئے کمپنی کے مالیاتی نتائج آپ کے سامنے پیش کرنے میں خوشی محسوس کرتے ہیں۔

آپ کی کمپنی کی بنیادی کاروباری سرگرمیاں انسانی ساخت کے فائبر یارن کی تیاری اور فروخت ہیں۔ 2006 میں کمپنی نے لاجسٹک کاروبار میں تنوع لانے کا فیصلہ کیا، اس طرح 2017 میں کاروبار میں اضافہ ہونے کے ساتھ ہی ہم نے ایک آزاد مرکوز ٹیم کے ساتھ ثنا انڈسٹریز لمیٹڈ کے ذیلی ادارے کے طور پر ثنا لاجسٹکس (پرائیویٹ) لمیٹڈ قائم کیا۔ 2020 میں، ایک دوسرے بڑے تنوع منصوبے میں، کمپنی نے ثنا ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کو اپنے پروں کے نیچے مکمل ملکیتی ذیلی کمپنی کے طور پر شامل کیا۔

زیر جائزہ مدت کے دوران پاکستان کی ٹیکسٹائل انڈسٹری نے COVID-19 سے متعلق لاک ڈاون کے منفی اثرات کو کم کرنے کے بعد بحالی کا مظاہرہ کیا۔ کم پالیسی شرح اور تجارت اور صنعت کے لئے مراعات برقرار رکھنے کے لئے حکومت کی پالیسی کاروباری اداروں کو اچھی کارکردگی دکھانے میں مددگار رہے۔

30 جون 2021 کو ختم ہونے والے مالیاتی سال کے مستحکم نتائج میں گزشتہ سال کی اسی مدت، 2019 کے مقابلے میں بھی (چونکہ 2020، COVID سے متاثرہ سال تھا)، ٹیکسٹائل ڈویژن کی فروخت میں اضافے، نئی ذیلی کمپنی ثنا ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کے اضافے کے ساتھ ساتھ فائنانس لاگت میں قابل ذکر کمی کی وجہ سے بھی بہتری دیکھنے میں آئی ہے۔

وبا کے بعد کی صورتحال نے مجموعی طلب میں اضافے سے عالمی اقتصادی سرگرمی کو تقویت دی ہے جس کے نتیجے میں رائٹ پراڈکٹ مکس کے حصول کی وجہ سے یارن کی قیمت فروخت میں تیزی کے ساتھ ساتھ یارن کی مقدار میں اضافہ ہوا ہے۔

مالیاتی نتائج

30 جون 2021 کو ختم ہونے والے سال کے لئے کمپنی کے مستحکم مالیاتی نتائج کا خلاصہ ذیل میں بیان کیا گیا ہے:

مندرجات	روپے
خالص آمدنی	2,717,396,356
قبل از ٹیکس سالانہ منافع	140,732,434
بعد از ٹیکس منافع	77,365,707

دوران سال کمپنی نے ایک نیا سیگمنٹ ثنا ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ شروع کیا ہے جو اپنی ایکویٹی میں 60 ملین روپے کی سرمایہ کاری کی وجہ سے مکمل ملکیتی ذیلی ادارہ ہے۔ یہ کارروائیاں فروری 2021 سے شروع ہو چکی ہیں اور مذکورہ ذیلی ادارے نے مجموعی آمدنی -/534,456,736 ملین روپے حاصل کی ہے۔

الحمدللہ! اس سال کے دوران، کمپنی نے اب تک کی سب سے زیادہ مجموعی آمدنی -/3,361,197,337 روپے (3.36 بلین روپے) حاصل کرنے میں کامیاب رہی ہے۔ جبکہ گزشتہ سال اسی مدت کے لیے -/2,072,526,864 روپے (2.072 بلین روپے) کی مجموعی آمدنی اور 2019 کے لیے -/2,431,013,415 روپے (2.43 بلین روپے) کی مجموعی آمدنی تھی۔ یہ کارنامہ یارن کی بڑھتی ہوئی مانگ، یارن کی قیمت فروخت میں تیزی اور ثنا ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کو مکمل ملکیتی ذیلی کمپنی کے طور پر آپریشنل انڈکشن کی وجہ سے حاصل کیا گیا ہے۔

ایڈجسٹڈ EBITDA۔

EBITDA (سود، ٹیکس، فرسودگی اور تخفیف سے پہلے کی آمدنی) کو گزشتہ 8 سالوں سے IFRS 16 کے تحت استعمال کے رائٹ اثاثے کی قدر میں کمی اور مالیاتی لاگت کے اثرات کے لئے ایڈجسٹ کیا گیا ہے اور کمپنی کے آپریشنل معاملات کی حقیقی تصویر دکھانے کے لئے منافع سے ادا کردہ کرایہ کی اصل رقم کاٹی گئی ہے۔

ہمارے شیئر ہولڈرز کو سہولت فراہم کرنے کے لئے، آپریٹنگ اور مالیاتی ڈیٹا کا موازنہ اس رپورٹ کے ساتھ ضم کیا گیا ہے:

- گزشتہ سال کے ساتھ موازنہ (Annex-A)
- گزشتہ سہ ماہی کے ساتھ موازنہ (Annex-B)
- سہ ماہی کے لحاظ سے تقابلی بیلنس شیٹس (Annex-C)
- سہ ماہی کے لحاظ سے تقابلی منافع اور نقصان کے کھاتے (Annex-D)
- گزشتہ 6 سالوں کے کلیدی آپریٹنگ اور مالی اعداد و شمار کا شماریاتی خلاصہ (Annex-E)

مستقبل کے معاشی امکانات

مستقبل کا نقطہ نظر مستحکم نظر آتا ہے اور توقع ہے کہ مقامی طلب مضبوط رہے گی۔ انتظامیہ تکنیکی جدّت کے حصول کے لئے اقدامات کر رہی ہے جس سے پیداواری صلاحیت اور فروخت میں اضافہ ہو رہا ہے۔

معاشی ترقی کے امکانات امید افزا ہیں۔ حکومتی اصلاحات کے ذریعے وبا کے بعد کی معاشی بحالی نے موافق مناسب طور پر حوصلہ افزائی کی ہے جس سے سرمایہ کاروں کا اعتماد بحال ہوا ہے اور رواں مالیاتی سال میں مقامی صنعت کو مقامی اور بین الاقوامی دونوں مارکیٹوں میں پھلنے پھولنے کا موقع ملا ہے۔

دوران سال ملکی برآمدات 18.3 فیصد اضافے کے ساتھ رواں مالیاتی سال میں 25.3 ارب ڈالر رہی جبکہ گزشتہ سال اسی عرصے میں یہ 21.4 ارب ڈالر تھی۔ اس ترقی میں بنیادی تعاون ٹیکسٹائل سیکٹر نے فراہم کیا ہے۔

اس کے باوجود درآمدات میں زبردست اضافہ ہوا ہے جو 56.4 ارب ڈالر تک پہنچ گیا جو گزشتہ سال کے اسی عرصے کے مقابلے میں 26.6 فیصد زیادہ ہے۔ درآمد کی جانے والی اہم اشیائے تجارت لوہے، اسٹیل اور پیٹرولیم مصنوعات تھیں۔

درآمدات میں بلند اضافے کے باوجود کرنٹ اکاونٹ خسارے کی صورتحال میں 58 فیصد بہتری آئی اور یہ موجودہ مالیاتی سال کے 4.4 ارب ڈالر سے 1.9 ارب ڈالر تک پہنچ گئی۔ اس کارنامے کا اہم تعین غیر ملکی ترسیلات زر کی آمد رہا ہے جس میں حکومت پاکستان کی جانب سے نافذ کردہ سازگار پالیسیوں کے باعث 26.9 فیصد اضافہ ہوا ہے۔

افراط زر کی شرح جو بنیادی طور پر مالیاتی اور زری پالیسیوں، بین الاقوامی اشیا کی قیمتوں اور شرح تبادلہ پر منحصر ہے، مالیاتی سال کی آخری سہ ماہی میں مندی کا رجحان دیکھا گیا۔ جون 2021 کے لئے افراط زر کی عمومی شرح 9.7 فیصد ریکارڈ کی گئی جبکہ اپریل 2021 میں یہ شرح 11.1 فیصد تھی۔ حکومت گھریلو خوراک کی منڈی کی کارکردگی بڑھانے کے لئے ہر ممکن اقدامات کر رہی ہے جس سے بالآخر افراط زر پر قابو پانے میں مدد ملے گی۔

مذکورہ بالا کمزوریوں کے باوجود پاکستان کی معیشت کے مجموعی معاشی امکانات قابل انتظام نظر آتے ہیں۔

31 دسمبر 2020 کو مالیاتی ششماہی کے اختتام پر اعلان کے مطابق کمپنی نے رائٹ ایشو سے 120.312 ملین روپے تک کے فنڈز اکٹھے کیے ہیں۔

ٹیکسٹائل یونٹ کی موجودہ پیداواری صلاحیت 31,488 اسپنڈلز پر مبنی ہے۔ کمپنی نے 400 ملین روپے تک توسیعی منصوبے کا آغاز کیا ہے۔ اس منصوبے کی مالیاتی معاونت درج ذیل ہے:

اسلامی عارضی اقتصادی ریلیف سہولت (iTerf) (دبئی اسلامک بینک 150 ملین روپے + بینک الحبیب لمیٹڈ 100 ملین روپے)	250 ملین روپے
ڈیمینیشنگ مشارقہ (بینک الحبیب لمیٹڈ)	50 ملین روپے
نجی ذرائع	100 ملین روپے
کل	400 ملین روپے

اس پروجیکٹ میں 2400 اسپنڈلز آف رنگ اسپننگ اور 3 مراتا وورٹیکس مشینیں شامل ہوں گی جو کہ پیداوار کو 5700 اسپنڈل کے مساوی بلند کریں گی۔ مرتا ورٹیکس مشین ایک نئی، جدید اور ہلکی پھلکی ٹیکنالوجی ہے جو نہ صرف لاگت میں موثر ہے بلکہ یہ ہمارے موجودہ پروڈکٹ مکس میں بہت زیادہ قدر بھی ڈالے گی۔

لہذا پیداواری صلاحیت میں کل بلندی 8100 اسپنڈلز کے مساوی ہوگی جو ہمیں 39,588 اسپنڈلز کی مستحکم بیس کی گنجائش فراہم کرے گی۔ یہ پیداواری صلاحیت میں 25.72 فیصد اضافے کی علامت ہے۔ توسیع سے پہلے اور بعد کی پیداواری صلاحیت کے اعداد و شمار درج ذیل ہیں:

موجودہ گنجائش	31,488
توسیع کے بعد اسپنڈلز میں اضافہ (مساوی)	8,100
توسیع کے بعد کل صلاحیت	39,588
فیصد اضافہ	25.72%

مذکورہ آلات کی کھیپ مارچ 2022 تک پہنچنے کی توقع ہے اور تنصیب جون 2022 تک مکمل ہو جائے گی۔ اضافہ شدہ صلاحیت کے ساتھ پیداوار عارضی طور پر جولائی 2022 تک شروع ہوگی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اہل ہونے کی وجہ سے 30 جون 2022 کو ختم ہونے والے سال کے لئے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

شیئر ہولڈنگ کا پیٹرن

اسٹاک ایکسچینج کو SECP کی جانب سے بتاریخ 28/3/2002 کے سرکلر کے مطابق شیئرز ہولڈنگ کا پیٹرن سالانہ رپورٹ میں شامل کیا گیا ہے۔

ڈیویڈنڈ اور بونس شیئرز کا اجرا

30 جون 2021 کو ختم ہونے والے سال کے لئے حتمی نقد ڈیویڈنڈ کا اعلان 1.50 روپے فی شیئر یعنی 15 فیصد پر کیا گیا ہے۔ یہ عبوری ڈیویڈنڈ کے علاوہ ہے جو پہلے ہی 1.00 روپے فی شیئر یعنی 10 فیصد پر ادا کیا جا چکا ہے۔ لہذا اس سال کے لئے اعلان کردہ مجموعی منافع 25 فیصد تک بنتا ہے۔

ہر 10 شیئرز یعنی 10 فیصد شیئرز کے لئے 1 شیئر کے تناسب سے بونس شیئر جاری کرنے کا بھی اعلان کیا گیا ہے۔

ڈائریکٹرز کے بیانات

1. مالیاتی گوشوارے کافی حد تک کمپنی کی صورتحال، اس کی کارروائیوں کا نتیجہ، کیش فلو اور ایکویٹی میں تبدیلیوں کو ظاہر کرتے ہیں۔
2. کمپنی نے اکاؤنٹ کی مناسب کتابیں برقرار رکھی ہیں۔
3. مالیاتی گوشواروں کی تیاری میں مناسب اکاونٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے موزوں اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4. مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیارات کی، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے اوراس سے کسی بھی انحراف، اگر کوئی ہے، کومناسب طور پرظاہر کیا گیا ہےاوروضاحت کی گئی ہے۔

5. انٹرنل کنٹرول کانظام آواز کے ڈیزائن کا ہےاوراس پرموثر طور پرلاگواورزیر نگرانی ہے۔

6. کمپنی کے کام جاری رکھنے کی صلاحیت پرکوئی شک وشبہ نہیں ہے۔

7. کارپوریٹ گورننس کے بہترین طریقوں سے کوئی واضح انحراف نہیں کیا گیا،جیسا کہ اسٹاک ایکسچینج کےلسٹنگ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے۔

8. کمپنی ایک منظورشدہ گریجویٹی فنڈ چلاتی ہے،جس کا انتظام گریجویٹی فنڈ ٹرسٹ کررہا ہے،جس میں اس کے تمام ملازمین شامل ہیں جنہوں نے اپنی کوالیفائنگ مدت مکمل کرلی ہے۔ پروجیکٹ یونٹ کریڈٹ ایکچوریل کاسٹ میتھڈ (PUC) اکاؤنٹنگ اندراجات کا حساب لگانے کے لئے استعمال کیا گیا تھا، جو IAS-19 کے تازہ ترین ورژن کے تحت لازمی ہے۔ اس اسکیم کی حالیہ ایکچوریل ویلیوایشن 30 جون 2021 کو کی گئی تھی۔ 30/6/2021 تک کل اثاثے/سرمایہ کاری 53,184,542/- روپے تھی۔

بورڈآف ڈائریکٹرز

3/12/2019 سے شروع ہونے والی تین سالہ مدت کے لئےکمپنیز آرڈیننس 1984 کی دفعہ 178 کی دفعات کے مطابق 3/12/2019 کومنعقدہ غیرمعمولی اجلاس میں ڈائریکٹرز کے انتخابات منعقد ہوئے۔ 30 جون 2021 کوختم ہونے والے مالیاتی سال کے دوران بورڈ آف ڈائریکٹرز کے کل 5 اجلاس منعقد ہوئے۔ ہرڈائریکٹرکی اجلاسوں میں شرکت کی تعداد ذیل میں بیان کی گئی ہے:

شمار	ڈائریکٹرز کے نام	اجلاسوں میں شرکت کی تعداد
1.	جناب محمد یونس نواب	5
2.	جناب محمد عرفان نواب	5
3.	جناب ابراہیم یونس	5
4.	جناب اسمٰعیل یونس	5
5.	جناب محمد فیضان اللہ	5
6.	جناب محمد اشفاق	5
7.	مس عریج رفیق	5

کمپنی کے شیئرز میں اس کے ڈائریکٹرز، CEO، کمپنی سیکرٹری اوران کے شریک حیات اور نابالغ بچوں نے رواں مالیاتی سال کے دوران درج ذیل تجارت کی:

لین دین کی تاریخ	تفصیلات	شیئرز کی تعداد	ماہیت	ریٹ/شیئر
خریداریاں				
04-05-2021	محمد عرفان نواب	85,937	تحفہ میں	10.00
25-05-2021	محمد یونس نواب	649,895	رائٹ سے	50.00
25-05-2021	محمد عرفان نواب	636,264	رائٹ سے	50.00
25-05-2021	ابراہیم یونس	71,661	رائٹ سے	50.00
25-05-2021	اسمٰعیل یونس	77,272	رائٹ سے	50.00
25-05-2021	محمد فیضان اللہ	79,686	رائٹ سے	50.00

25-05-2021	صبیحہ یونس	111,039	رائٹ سے	50.00
25-05-2021	افشاں عرفان	363,554	رائٹ سے	50.00
25-05-2021	عریج رفیق	700	رائٹ سے	50.00
31-05-2021	محمد فیضان اللہ	102,146	تحفہ میں	50.00
21-06-2021	ابراہیم یونس	200,000	تحفہ میں	50.00
21-06-2021	اسمٰعیل یونس	200,000	تحفہ میں	50.00
فروخت				
04-05-2021	افشاں عرفان	85,937	تحفہ دیا	10.00
31-05-2021	محمد عرفان نواب	102,146	تحفہ دیا	50.00
31-05-2021	محمد عرفان نواب	170,564	تحفہ دیا	50.00
21-06-2021	محمد یونس نواب	200,000	تحفہ دیا	50.00
21-06-2021	محمد یونس نواب	200,000	تحفہ دیا	50.00

اعتراف

ہم کمپنی کی ترقی میں مسلسل معاونت کے لئے تمام اسٹیک ہولڈرز (اندرونی /بیرونی)،بینکوں، مالیاتی اداروں،متعلقہ وزارتوں اور ریگولیٹرز کے دلی شکرگزار ہیں۔ہم عملے اور کارکنوں کی محنت، دیانتداری اور وفاداری کا اعتراف کرتے ہیں جن کے بغیر مسلسل کامیابی کا حصول ناممکن تھا۔ہم آنے والے برسوں میں اسی دیانتداری اور تعاون کے منتظر ہیں۔

منجانب بورڈ

(محمد عرفان نواب)

چیف ایگزیکٹیو

(محمد فیضان اللہ)

ڈائریکٹر

کراچی: اکتوبر 05، 2021

Sana Industries Limited

Annexure to Directors' Report
Consolidated Financial Performance
(Rupees in millions)

Comparison with last year **Annexure A**

Covering period FROM	01-Jul-2020	01-Jul-2019	VARIATION	
TO	30-Jun-2021	30-Jun-2020	Amount	Percentage
Turnover - net	2,727.88	1,775.17	952.71	53.67%
Cost of Sales	2,379.98	1,598.84	781.14	48.86%
Gross Profit	347.90	176.33	171.57	97.30%
G.P.Rate to Sales	12.75%	9.93%		2.82%
Administrative, Selling, Financial & Other expenses	228.72	187.13	41.60	22.23%
Other income	21.55	4.70	16.86	358.73%
Operating Profit / (loss)	140.73	(6.09)	146.83	-2409.31%
Operating Profit / (loss) Rate to Sales	5.16%	-0.34%		
Provision for Taxation	63.37	(9.06)	72.43	-799.44%
Profit / (loss) after Taxation	77.37	2.96	74.41	2517.67%
Earning per share (before tax)	15.10	(0.71)	15.81	-2227.10%
Earning per share (after tax)	7.66	(0.75)	8.41	-1121.33%

Comparison with previous quarter **Annexure B**

Covering period FROM	01-Apr-2021	01-Jan-2021	VARIATION	
TO	30-Jun-2021	31-Mar-2021	Amount	Percentage
Turnover - net	898.63	744.95	153.68	20.63%
Cost of Sales	768.76	668.35	100.41	15.02%
Gross Profit	129.87	76.60	53.27	69.55%
G.P.Rate to Sales	14.45%	10.28%		
Administrative, Selling, Financial & Other expenses	79.24	56.35	22.89	40.62%
Other income	7.81	6.23	1.58	25.29%
Operating Profit	58.44	26.48	31.96	120.69%
N.P. Rate to Sales	6.50%	3.55%		
Earning per share (before tax)	6.61	3.08	3.53	114.61%

COMPARISON OF BALANCE SHEET OF FOUR QUARTERS (CONSOLIDATED)

	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
	30-Sep-2020	31-Dec-2020	31-Mar-2021	30-Jun-2021
	Rupees	Rupees	Rupees	Rupees
ASSETS				
NON CURRENT ASSETS				
Property, Plant and equipments	557,871,305	539,039,756	540,588,927	507,994,328
Right to use asssers	74,950,436	70,303,686	65,656,936	61,089,070
Long-term deposits	2,756,051	2,756,051	2,756,051	2,756,051
Deferred tax asset - net	5,443,869	-	-	7,160,153
	641,021,661	612,099,493	609,001,914	578,999,602
CURRENT ASSETS				
Stock-in-trade / Stores and spares	199,273,513	187,460,199	294,738,831	293,251,251
Short term investment	1,705,555	1,705,555	10,255,555	60,272,837
Trade debts- unsecured, considered good	439,650,357	407,089,027	554,484,249	639,494,065
Advances	35,941,374	81,527,259	31,532,615	36,883,156
Deposits and pre-payments	6,919,470	5,840,560	5,844,296	2,811,491
Other receivables	4,916,331	3,135,053	17,711,712	16,783,402
Taxation - net	160,773,174	139,866,549	154,078,821	130,041,992
Cash and bank balances	52,032,198	67,836,527	40,046,632	96,582,866
	901,211,972	894,460,729	1,108,692,712	1,276,121,060
TOTAL ASSETS	1,542,233,633	1,506,560,222	1,717,694,626	1,855,120,662
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share Capital	85,937,500	85,937,500	85,937,500	110,000,000
Reserves	324,765,099	323,139,950	418,198,981	394,063,075
Attributiable to equity holders of the parent	410,702,599	409,077,450	504,136,481	504,063,075
Non-controlling interest	38,699,833	38,043,707	36,472,084	45,372,567
	449,402,431	447,121,158	540,608,565	549,435,642
NON CURRENT LIABILITIES				
Long term financing	120,222,317	111,996,712	113,467,476	51,924,922
Lease Liability	74,922,467	70,021,778	66,768,152	53,339,874
Deffered Liabilities	38,809,914	54,141,244	50,882,160	108,439,577
	233,954,697	236,159,734	231,117,787	213,704,373
CURRENT LIABILITIES				
Trade and other payables	206,393,505	160,819,532	234,158,593	273,956,067
Advances from Customers	78,298,317	75,581,883	73,085,339	24,005,624
Accrued profit on Murabaha/Mushareka arrangements	4,937,867	7,268,614	9,455,946	9,967,323
Loans from directors and associates	45,845,000	38,945,000	42,745,000	49,256,135
Current portion of long term financing	85,801,411	112,403,793	100,265,135	117,990,269
Current maturity of lease liability	13,318,771	14,439,641	15,606,272	24,925,670
Current maturity of deferred government grant	3,146,267	5,410,888	4,293,954	3,291,953
Unclaimed dividend	1,866,118	1,903,687	1,903,687	1,877,677
Short term arrangements	419,269,249	406,506,294	464,454,349	585,740,510
Taxation - net	-	-		969,419
	858,876,504	823,279,331	945,968,274	1,091,980,647
CONTINGENCIES AND COMMITMENTS	-	-	-	-
TOTAL EQUITY AND LIABILITIES	1,542,233,633	1,506,560,222	1,717,694,625	1,855,120,662
Debt Equity Ratio	34.24%	34.56%	29.95%	28.00%
Current Ratio	1.05	1.09	1.17	1.17

SARA Industries Limited "Annexure D"

COMPARISON OF PROFIT & LOSS ACCOUNT OF FOUR QUARTERS (CONSOLIDATED)

	1ST QUARTER 30-Sep-2020 Rupees	2ND QUARTER 31-Dec-2020 Rupees	3RD QUARTER 31-Mar-2021 Rupees	4TH QUARTER 30-Jun-2021 Rupees	Y.T.D. 30-Jun-2021 Rupees
Turnover-net	555,303,787	529,003,330	744,946,134	898,631,016	2,727,884,267
Cost of sales	(483,541,627)	(459,338,730)	(668,346,423)	(768,756,523)	(2,379,983,302)
Gross profit	71,762,160	69,664,600	76,599,711	129,874,493	347,900,965
G.P.Rate	12.92%	13.17%	13.17%	14.45%	12.75%
General and administration expenses	(23,060,176)	(22,591,123)	(27,136,989)	(34,028,270)	(106,816,558)
Selling and distribution expenses	(5,055,353)	(6,165,566)	(6,340,327)	(10,802,277)	(28,363,523)
Other operating expenses	(2,280,822)	(2,465,711)	(2,663,126)	(6,643,790)	(14,053,449)
Other income	2,218,716	5,288,602	6,234,780	7,811,823	21,553,921
Operating profit	43,584,525	43,730,802	46,694,050	86,211,979	220,221,356
Finance cost	(12,171,664)	(19,334,528)	(20,212,402)	(27,770,328)	(79,488,922)
Profit for the period before taxation	31,412,861	24,396,274	26,481,648	58,441,651	140,732,434
Provision for taxation - current	(10,871,062)	6,582,990	(2,142,318)	(35,856,460)	(42,286,849)
- prior year	-	(5,045,974)	-	-	(5,045,974)
- deferred (current)	7,466,624	(18,302,435)	4,869,651	(10,067,744)	(16,033,904)
	(3,404,438)	(16,765,419)	2,727,333	(45,924,204)	(63,366,727)
Profit / Loss after taxation	28,008,423	7,630,855	29,208,981	12,517,448	77,365,707
Earning per share before taxation	3.66	2.84	3.08	6.61	15.92
Earning per share after taxation					7.66

SANA INDUSTRIES LIMITED

Statistical summary of key operating & financial data for last six years **Annexure E**

Based on Unconsolidated Financial Statements for the year ended / as at June,30

(Rupees in Millions)

YEAR END	**Jun-2021**	Jun-2020	Jun-2019	Jun-2018	Jun-2017	Jun-2016	Jun-2015
OPERATING RESULTS							
Turnover - Net	**2,129**	1,419	2,002	1,706	1,660	1,791	1,696
Gross profit	**263**	88	198	116	40	177	227
Operating expenses	**102**	79	76	59	41	53	36
Operating Profit / (Loss)	**162**	9	127	102	(1)	124	191
Financial charges	**60**	75	63	46	44	40	50
Profit / (Loss) before tax	**137**	(43)	80	61	(45)	84	136
Taxation	**42**	12	15	42	17	19	46
Profit / (Loss) after tax	**95**	(31)	65	19	(28)	65	90
FINANCIAL POSITION							
Paid-up Capital	**110**	86	86	86	86	86	86
Retained earnings	**403**	264	317	269	238	291	306
Total equity	**513**	346	401	366	324	377	392
Long term loans	**60**	72	45	71	137	68	48
Deferred Liabilites	**106**	68	54	10	13	55	48
Current liabilities	**807**	675	721	624	683	610	497
Total assets	**1,485**	1,161	1,185	1,069	1,153	1,088	986
Fixed assets (Gross)	**1,139**	1,184	1,127	1,082	1,135	1,046	875
Accumulated depreciation	**742**	738	663	590	539	551	491
Fixed assets (Net)	**397**	447	464	493	596	495	383
Long term investment	**95**	35	35	35	5	0	0
Long term deposits	**3**	3	3	3	1	1	1
Deferred tax assets	**13**	6	0	0	0	0	0
Current assets	**977**	671	683	536	551	592	596
RATIOS							
Fixed Assets Turnover	**5.36**	3.18	4.31	3.46	2.79	3.62	4.42
Trade Debts (days)	**62**	44	31	43	26	43	38
Inventory turnover (times)	**8.44**	6.41	9.24	7.76	7.02	6.67	5.59
Inventory turnover (days)	**43**	57	40	47	52	55	65
Sales growth %	**50.04%**	-29.13%	17.37%	2.75%	-7.30%	5.62%	22.63%
Gross profit margin %	**12.36%**	6.19%	9.90%	6.78%	2.41%	9.90%	13.37%
Total charges as % to sales	**7.61%**	10.85%	6.97%	6.15%	5.12%	5.24%	5.69%
Net profit before tax % to sales	**6.44%**	-3.05%	3.98%	3.56%	-2.71%	4.66%	8.01%
Tax rate (Effective) %	**29.00%**	29.00%	29.00%	30.00%	31.00%	32.00%	33.00%
Net profit after tax (% to sales)	**4.45%**	-2.22%	3.26%	1.09%	-1.66%	3.61%	5.28%
Return on Equity % (after tax)	**18.48%**	-9.10%	16.26%	5.10%	-8.52%	17.18%	22.83%
Earning per share pre-tax	**14.72**	(5.04)	9.28	7.07	(5.24)	9.72	15.81
Earning per share after tax	**10.17**	(3.66)	7.59	2.17	(3.21)	7.53	10.42
Break-up value per share	**46.62**	40.20	46.67	42.63	34.04	43.84	45.66
Debt Equity Ratio	**24:76**	29:71	20:80	18:82	37:63	24:76	20 : 80
Current Ratio	**1.21**	0.99	0.95	0.86	0.81	0.90	1.20
Quick Ratio	**0.91**	0.70	0.65	0.58	0.46	0.59	0.68
DISTRIBUTION							
Dividend per share Rs.	**2.50**	Nil	2.50	2.00	Nil	3.50	8.00
Stock Dividend	**10%**	Nil	Nil	Nil	Nil	Nil	Nil
Dividend payout	**34%**	0%	33%	92%	0%	46%	77%

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

SANA INDUSTRIES LIMITED
FOR THE YEAR ENDED JUNE 30, 2021

M/s. Sana Industries Limited ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, ('the Regulations') in the following manner:

1. The total number of directors of the Company are 7 as follows:

Male:	06
Female:	01

2. The composition of the Board of Directors ('the Board') is as follows:

I) Non-Executive Directors	
a. Independent Directors	Mr. Muhammad Ashfaq; and Ms. Areej Rafique (Female)
b. Other Non-Executive Directors	Mr. Mohammed Younus Nawab Mr. Ibrahim Younus; and Mr. Ismail Younus;
II) Executive Directors	Mr. Mohammed Irfan Nawab; and Mr. Muhammad Faizanullah

3. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies including this Company;

4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations;

7. The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations;

9. Three directors have a certificate under Directors' Training Program, other four director of the company are exempt from the requirement of Director's Training Program.

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

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financal statements before approval of the Board;

12. The Board has already formed committees comprising of members given below:

Audit Committee	
Mr. Muhammad Ashfaq	Chairman
Mr. Muhammad Faizanullah	Member
Mr. Ismail Younus	Member
Syed Amjad Ahmed	Secretary
HR & Remuneration Committee	
Ms. Areej Rafique	Chairman
Mr. Muhammad Faizanullah	Member
Mr. Ismail Younus	Member
Syed Amjad Ahmed	Secretary

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings of the committees were as follows:

Audit Committee	Quarterly
HR & Remuneration Committee	Annually

15. The Board has outsourced the internal audit function to M/s. Muhammad Farooq Dandia & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or a director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of the regulation no. 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; Explanation as required under the regulations is mentioned below;

19. Company, currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director.

20. We confirm that all other requirements of the Regulations have been complied with.

For Sana Industries Limited

(Chairman)

Dated: 5Th October, 2021

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/s. Sana Industries Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Sana Industries Limited** (the Company) for the year ended **June 30, 2021** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **June 30, 2021.**

Rahman Sarfaraz Rahim Iqbal Rafiq

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi.
Date: 05 OCT 2021

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of Sana Industries Limited

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of **Sana Industries Limited** ('the Company'), which comprise the unconsolidated statement of financial position as at **June 30, 2021**, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our audit reports thereon.

Cont'd... P/2

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
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Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon (continued)

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

Cont'd... P/4

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONTINUED)

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance;

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Waseem**.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: 05 OCT 2021

Sana Industries Limited

Unconsolidated Statement of Financial Position

As at June 30, 2021

	Note	2021	2020
ASSETS		------------Rupees ------------	
Non- current assets			
Property, plant and equipment	4	**321,243,043**	355,849,999
Right-of-use assets	5	**23,970,900**	27,966,050
Investment property	6	**52,239,813**	62,691,909
Investment in subsidiaries	7	**94,999,990**	35,000,000
Long term deposits and prepayments	8	**2,756,051**	2,756,051
Deferred taxation-net	9	**13,360,749**	5,572,305
		508,570,546	489,836,314
Current assets			
Stock-in-trade	10	**240,450,223**	201,493,653
Stores and spares		**6,697,215**	6,828,622
Trade debts - unsecured	11	**441,291,605**	247,906,234
Loans and advances	12	**35,758,481**	41,585,391
Trade deposits and short term prepayments	13	**1,940,484**	1,715,715
Short term investments	14	**26,722,832**	1,705,555
Other receivables	15	**44,803,027**	16,194,252
Tax refunds due from government	16	**80,600,473**	100,056,700
Cash and bank balances	17	**98,496,842**	53,312,333
		976,761,182	670,798,455
Total assets		**1,485,331,728**	1,160,634,769
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
20,000,000 (2020: 10,000,000) ordinary shares of Rs 10/- each		**200,000,000**	100,000,000
Issued, subscribed and paid up capital	18	**110,000,000**	85,937,500
Capital reserves			
Share premium	18	**96,250,000**	-
Revenue reserves			
General reserve		**132,500,000**	132,500,000
Unappropriated profits		**174,056,923**	127,064,475
		306,556,923	259,564,475
		512,806,923	345,501,975
Non-current liabilities			
Lease liability	19	**24,774,275**	30,830,611
Long term financing	20	**35,652,805**	72,380,513
Deferred liabilities	21	**105,536,566**	36,914,143
		165,963,646	140,125,267
Current liabilities			
Short term borrowings	22	**525,806,494**	412,210,590
Trade and other payables	23	**191,715,008**	199,718,479
Loan from directors and sponsors	24	**6,660,000**	15,910,000
Accrued markup	25	**9,381,038**	24,812,736
Current maturity of lease liability	19	**5,708,856**	1,130,437
Current portion of long term financing	26	**63,625,801**	16,731,287
Current maturity of deferred government grant	21	**1,786,286**	2,603,988
Unclaimed dividend		**1,877,676**	1,890,010
		806,561,158	675,007,527
Contingencies and commitments	27		
Total equity and liabilities		**1,485,331,728**	1,160,634,769

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Sana Industries Limited

Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2021

	Note	2021	2020
		——— Rupees ———	
Gross Revenue	28	**2,516,001,295**	1,667,464,390
Less: Sales tax		**(381,984,683)**	(245,517,453)
Commissions and discounts		**(5,017,211)**	(2,950,347)
Revenue - net		**2,128,999,401**	1,418,996,590
Cost of sales	29	**(1,865,765,571)**	(1,331,161,962)
Gross profit		**263,233,830**	87,834,628
Administrative expenses	30	**(69,854,745)**	(59,443,205)
Distribution expenses	31	**(21,241,469)**	(19,506,160)
Other operating expenses	32	**(10,553,455)**	(250,000)
		(101,649,669)	(79,199,365)
Operating profit		**161,584,161**	8,635,263
Other income	33	**36,057,206**	22,865,181
Finance costs	34	**(60,473,301)**	(74,798,084)
		(24,416,095)	(51,932,903)
Profit / (loss) before taxation		**137,168,066**	(43,297,640)
Taxation	35	**(42,389,340)**	11,841,786
Profit / (loss) after taxation		**94,778,726**	(31,455,854)
			(Restated)
Earnings / (loss) per share - basic and diluted	36	**10.17**	(3.59)

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2021

	2021	2020
	Rupees	
Profit / (loss) after taxation	**94,778,726**	(31,455,854)
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Actuarial gain / (loss) on remeasurement of defined benefit obligation	**6,455,887**	(3,712,963)
Deferred tax on above	**(1,872,207)**	1,076,759
	4,583,680	(2,636,204)
Total comprehensive income / (loss) for the year	**99,362,406**	(34,092,058)

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2021

		Capital reserve	Revenue reserves		
	Issued, subscribed and paid up capital	Share premium	General reserve	Unappropriated profits	Total
	Rupees				
Balance as at June 30, 2019	85,937,500	-	132,500,000	182,640,908	401,078,408
Total comprehensive loss for the year ended June 30, 2020					
- Loss after taxation	-	-	-	(31,455,854)	(31,455,854)
- Other comprehensive income	-	-	-	(2,636,204)	(2,636,204)
	-	-	-	(34,092,058)	(34,092,058)
Transaction with owners:					
Cash dividend @ Rs.2.5/- per ordinary share for the year ended June 30, 2019	-	-	-	(21,484,375)	(21,484,375)
Balance as at June 30, 2020	**85,937,500**	**-**	**132,500,000**	**127,064,475**	**345,501,975**
Recognition of the provision for Gas Infrastructure Development Cess (GIDC) - (Refer note 21.4)	-	-	-	**(63,915,582)**	**(63,915,582)**
Recognition of deferred tax asset on the above provision	-	-	-	**20,139,375**	**20,139,375**
	-	-	-	**(43,776,207)**	**(43,776,207)**
Total comprehensive income for the year ended June 30, 2021					
- Profit after taxation	-	-	-	**94,778,726**	**94,778,726**
- Other comprehensive income	-	-	-	**4,583,680**	**4,583,680**
	-	-	-	**99,362,406**	**99,362,406**
Transactions with owners:					
Right shares issued during the year - (Refer note 18)	**24,062,500**	**96,250,000**	-	-	**120,312,500**
Interim cash dividend @ Re.1/- per ordinary share for the quarter ended September 30, 2021	-	-	-	**(8,593,750)**	**(8,593,750)**
	24,062,500	**96,250,000**	-	**(8,593,750)**	**111,718,750**
Balance as at June 30, 2021	**110,000,000**	**96,250,000**	**132,500,000**	**174,056,923**	**512,806,923**

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Sana Industries Limited

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2021

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		Rupees	
Profit / (loss) before taxation		**137,168,066**	(43,297,640)
Adjustments for:			
- Depreciation on property, plant and equipment	4	**66,160,345**	64,189,742
- Depreciation on right-of-use assets	5	**3,995,150**	3,995,150
- Depreciation on investment property	6	**10,452,096**	10,759,625
- Provision for staff retirement benefits	21.3.3	**9,632,701**	9,688,602
- Provision for gas rate difference		**4,535,033**	-
- Provision for Workers' Profit Participation Fund	32	**7,366,706**	-
- Provision for Workers' Welfare Fund	32	**2,799,348**	-
- Unrealised loss on re-measurement of short term investments	32	**37,400**	-
- Gain on sale of operating fixed assets	33	**(7,732,213)**	(2,275,963)
- Amortization of deferred government grant	33	**(3,316,128)**	-
- Dividend income	33	**(64,327)**	-
- Profit on bank deposits	33	**(1,208,889)**	-
- Increase in provision for expected credit losses	32	**350,000**	250,000
- Finance costs	34	**60,473,301**	74,798,084
		153,480,523	161,405,240
Cash generated from operating activities before working capital changes		**290,648,589**	118,107,600
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
- Stock-in-trade		**(38,956,570)**	12,648,872
- Stores and spares		**131,407**	(6,828,622)
- Trade debts		**(193,735,371)**	65,432,043
- Loan and advances		**5,826,910**	(18,561,865)
- Trade deposits and short term prepayments		**(224,769)**	(361,172)
- Other receivables		**(28,608,775)**	12,207,198
- Sales tax refundable		**(2,046,752)**	7,772,344
Increase/(decrease) in current liabilities			
- Trade and other payables		**(19,465,062)**	(11,511,888)
		(277,078,982)	60,796,910
Cash generated from operations		**13,569,607**	178,904,510
- Income tax refund received during the year		**17,281,453**	-
- Income tax paid		**(27,689,089)**	(24,683,565)
- Contribution to staff retirement benefits fund	21.2	**(3,200,000)**	-
- Compensated absences paid		**-**	(1,113,881)
- Payment of Workers' Welfare Fund		**-**	(1,711,547)
- Payment of Workers' Profit Participation Fund	23.2	**(3,239,496)**	(6,018,741)
- Finance cost paid		**(67,678,369)**	(61,553,445)
Net cash (used in) / generated from operating activities		**(70,955,894)**	83,823,331
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	4.1	**(37,937,546)**	(29,406,083)
Short term investment in units of mutual funds		**(25,054,677)**	-
Investment in subsidiary		**(59,999,990)**	-
Dividend received		**64,327**	
Profit received		**1,208,889**	-
Proceeds from disposal of operating fixed assets		**14,116,370**	2,280,000
Net cash used in investing activities		**(107,602,627)**	(27,126,083)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received against musharaka facility		**14,179,200**	-
Repayment of long term musharaka		**(9,963,757)**	(18,074,990)
Loan received against SBP Refinance facility for payment of wages and salaries		**20,280,179**	41,027,805
Repayment of loan against SBP Refinance facility for payment of wages and salaries		**(15,326,996)**	-
Repayment of lease liability (principal repayment)		**(1,477,917)**	(3,835,643)
Short term borrowings - net		**113,595,904**	(28,380,420)
Proceeds from issue of right shares		**120,312,500**	-
Loan received from directors and sponsors		**49,250,000**	38,261,883
Loan repaid to directors and sponsors		**(58,500,000)**	(40,961,883)
Dividend paid		**(8,606,084)**	(21,393,244)
Net cash generated from / (used in) financing activities		**223,743,029**	(33,356,492)
Net increase in cash and cash equivalents		**45,184,509**	23,340,756
Cash and cash equivalents at the beginning of the year		**53,312,333**	29,971,577
Cash and cash equivalents at the end of the year	17	**98,496,842**	53,312,333

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

1 STATUS AND NATURE OF BUSINESS

Sana Industries Limited ("the Company") is a public listed company incorporated in Pakistan on June 05, 1985 under the Companies Ordinance, 1984 (now repealed with the enactment of the Companies Act, 2017 on May 30, 2017) . The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacturing and sale of man-made blended yarn.

The geographical location of the Company's business units, including plant, are as under:

Head office: The registered office of the Company is situated at 33-D-2, Block 6, P.E.C.H.S, Karachi.

Mill: The mill is located at Hub Industrial Trading Estate, situated at Tehsil Hub, District Lasbela, Balochistan.

Warehouse: The Company's warehouse is located at SF-96, S.I.T.E, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the 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 from the IFRS Standards, the former have been followed.

2.2 Basis of measurement of items in these unconsolidated financial statements.

In these unconsolidated financial statements, all items have been measured at their historical cost except for:

(a) The Company's retirement benefits liability under the defined benefit plan which is carried at the present value of the defined benefit obligation less the fair value of the plan assets; and

(b) Investment in units of open-ended mutual funds which are carried at fair value through profit or loss.

2.3 Functional and presentation currency

Items included in these unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pak Rupees which is the Company’s functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods. Areas where various assumptions and estimates are significant to the Company's unconsolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

		Note
-	Useful lives, residual values and depreciation method of property, plant and equipment	*3.1.*
-	Useful lives, residual values and depreciation method of investment property measured at cost	*3.3.*
-	Provision for expected credit losses	*3.9.3*
-	Obligation of defined benefit obligation	*3.13.*
-	Current income tax expense, provision for prior year tax and recognition of deferred tax asse	*3.14.*

2.5 New accounting pronouncements

2.5.1 *Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2021.*

During the year, certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, since such updates were not considered to be relevant to these unconsolidated financial statements, the same have not been reported.

2.5.2 *New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective*

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 01, 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. The application of the amendment is not likely to have an impact on the Company's financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b. any reduction in lease payments affects only payments originally due on or before June 30, 2020 ; and

c. there is no substantive change to the other terms and conditions of the lease.

The above amendments are not likely to affect the financial statements of the Company.

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity’s right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management of the Company is currently in the process of assessing the impacts of these amendments to these unconsolidated financial statements.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

  The management of the Company is currently in the process of assessing the impacts of above amendments to these unconsolidated financial statements.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01,2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the financial statements of the Company.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022:

  - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B 3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique

The above amendments are not likely to affect the financial statements of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property, plant and equipment

Operating assets - owned

Items of property, plant and equipment are stated at cost amount less accumulated depreciation and impairment losses except for leasehold land and SF/96 premises which are stated at cost. Cost include expenditures that are directly attributable to the acquisition of an asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to the statement of profit or loss applying the straight line method at the rates specified in note 4.1 to theses unconsolidated financial statements. Depreciation is charged when the asset is available for use till the time the asset is disposed off.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Capital work in progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when the assets are available for use.

3.2 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A - Leases other than short-term leases and leases of low-value assets

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

B - Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases where the nature of the underlying asset is such that, when new, the asset is typically not of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.3 Investment property

Investment property comprises of leasehold land and buildings that are held for rental yields. Investment property is initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, except for leasehold land which is stated at cost. Depreciation is calculated using a straight line method to allocate the depreciable amounts over the estimated useful lives. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

3.4 Investment in subsidiaries

Investment in subsidiaries are carried at cost less impairment, if any. At each reporting date, the Company reviews the carrying amount of investments and its recoverability to determine whether there is an indication that such investments have suffered an impairment loss. If any such indication exists, the carrying amount of the investments is adjusted to the extent of impairment loss which is recognized as an expense in the unconsolidated statement of profit or loss.

3.5 Stores and spares

These are valued under the moving average cost method (less impairment loss if any) other than stores and spares in transit which are valued at cost comprising invoice value plus other charges paid thereon less impairment loss if any.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding their future usability.

3.6 Stock-in-trade

Basis of valuation

All items of stock-in-trade are valued at the lower of cost and their net realizable value as of the reporting date.

Determination of cost

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the quantity of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal operating capacity of the production facilities (which is the production expected to be achieved on average over a number of days under normal circumstances, taking into account the loss of capacity resulting from planned maintenance).

The cost of the items consumed or sold and those held in stock at the reporting date is determined as follows:

-	Raw materials	at weighted average basis.
-	Packing materials	On FIFO basis
-	Stock-in-transit	at invoice price plus other charges paid thereon.
-	Work-in-process and finished goods	at weighted average cost comprising direct cost of raw material, labour and other manufacturing overheads.
-	Waste materials	at net realizable value

3.7 Trade debts

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized when the goods are delivered to customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and balances held with banks.

3.9 Financial assets

3.9.1 *Initial recognition, classification and measurement*

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost:
(b) fair value through other comprehensive income (FVOCI);and
(c) fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.9.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.9.3 ***Impairment***

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade receivables, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

3.9.4 ***De-recognition***

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.10 **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.11 **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

3.13 Employee benefits

a) *Compensated absences*

The Company has the policy of annual casual and sick leaves to its employees which are not carried forward to the next year. Non-accumulating compensated absences are recognized as expense in the period in which they occur.

b) *Staff retirement benefits - Defined benefit plan*

A defined benefit plan is a post-employment benefit plan under which an entity regularly pays contributions into a separate fund but will continue to have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the entity.

The Company operates an unfunded gratuity scheme for its employees which is classified as a defined benefit plan.

The Company's obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by a qualified actuary using the Projected Unit Credit Method.

Remeasurements of the defined benefit liability (i.e. the actuarial gains or losses) are recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate to the defined benefit liability at the beginning of the annual reporting period, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.14 Taxation

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognized only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that is no longer probable that the related tax benefit will be realised.

Judgement and estimates

Significant judgement is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.15 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

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

3.16 Revenue

Revenue from sales of goods is recognized when the customer obtains control of the goods being when the goods are delivered to the customer and there remains no other unfulfilled obligation to be satisfied by the Company. Delivery occurs when the goods have been dispatched from the Company's premises and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company does not expect to have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

3.17 Other income

Interest income

- Returns on saving accounts and investments at amortised cost are recognised using effective interest rate method.

Dividend income

- Dividends received from investment in units of mutual funds are recognized in the statement of profit or loss when it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Rental income

- Rent from operating leases is recognized as income on a straight line basis. Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or

3.18 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

3.19 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the Company that are outstanding during the period. However, the Company excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that the Company capitalises during a period does not exceed the amount of borrowing costs it incurs during that period.

The Company begins capitalising borrowing costs as part of the cost of a qualifying asset on the 'commencement date' which is the date when the Company first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

		Note	**2021**	2020
			Rupees	
4	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	*4.1*	**321,243,043**	355,849,999

4.1 Operating fixed assets

	Leasehold land	SF/96 premises	Building on leasehold land	Electrification - factory building	Office premises SF/96	Plant and machinery	Handling equipment	Furniture, fixtures and office equipment	Lab Equipment	Vehicles	Computer	Total
As at June 30, 2019												
Cost	5,282,619	5,000,000	77,808,157	32,075,472	12,819,637	799,172,055	10,227,561	10,422,194	311,295	26,537,317	1,509,584	981,165,891
Accumulated depreciation	-	-	(55,486,585)	(14,520,605)	(10,143,260)	(477,729,624)	(3,294,659)	(5,650,903)	(311,285)	(22,087,323)	(1,303,952)	(590,528,196)
Net book value	5,282,619	5,000,000	22,321,572	17,554,867	2,676,377	321,442,431	6,932,902	4,771,291	10	4,449,994	205,632	390,637,695
Movement during the year ended June 30, 2020												
Opening net book value	5,282,619	5,000,000	22,321,572	17,554,867	2,676,377	321,442,431	6,932,902	4,771,291	10	4,449,994	205,632	390,637,695
Additions	-	-	1,090,667	550,000	-	27,059,769	211,000	-	-	170,000	324,647	29,406,083
Disposals:												
Cost	-	-	-	-	-	-	-	-	-	(3,796,332)	-	(3,796,332)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	3,792,295	-	3,792,295
	-	-	-	-	-	-	-	-	-	(4,037)	-	(4,037)
Depreciation for the year	-	-	(4,760,882)	(2,102,793)	(997,604)	(51,833,066)	(978,762)	(805,925)	-	(2,572,543)	(138,167)	(64,189,742)
Closing net book value	5,282,619	5,000,000	18,651,357	16,002,074	1,678,773	296,669,134	6,165,140	3,965,366	10	2,043,414	392,112	355,849,999
As at June 30, 2020												
Cost	5,282,619	5,000,000	78,898,824	32,625,472	12,819,637	826,231,824	10,438,561	10,422,194	311,295	22,910,985	1,834,231	1,006,775,642
Accumulated depreciation	-	-	(60,247,467)	(16,623,398)	(11,140,864)	(529,562,690)	(4,273,421)	(6,456,828)	(311,285)	(20,867,571)	(1,442,119)	(650,925,643)
Net book value	5,282,619	5,000,000	18,651,357	16,002,074	1,678,773	296,669,134	6,165,140	3,965,366	10	2,043,414	392,112	355,849,999
Movement during the year ended June 30, 2021												
Opening net book value	**5,282,619**	**5,000,000**	**18,651,357**	**16,002,074**	**1,678,773**	**296,669,134**	**6,165,140**	**3,965,366**	**10**	**2,043,414**	**392,112**	**355,849,999**
Additions	**-**	**-**	**1,261,200**	**-**	**-**	**15,020,763**	**-**	**438,175**	**-**	**20,784,483**	**432,925**	**37,937,546**
Disposals:												
Cost	**-**	**-**	**-**	**-**	**-**	**(74,926,543)**	**-**	**-**	**-**	**(7,759,313)**	**-**	**(82,685,856)**
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**70,956,945**	**-**	**-**	**-**	**5,344,754**	**-**	**76,301,699**
	-	**-**	**-**	**-**	**-**	**(3,969,598)**	**-**	**-**	**-**	**(2,414,559)**	**-**	**(6,384,157)**
Depreciation for the year	**-**	**-**	**(4,873,741)**	**(2,137,603)**	**(981,376)**	**(52,671,872)**	**(978,762)**	**(842,597)**	**-**	**(3,527,860)**	**(146,534)**	**(66,160,345)**
Closing net book value	**5,282,619**	**5,000,000**	**15,038,816**	**13,864,471**	**697,397**	**255,048,427**	**5,186,378**	**3,560,944**	**10**	**16,885,478**	**678,503**	**321,243,043**
As at June 30, 2021												
Cost	**5,282,619**	**5,000,000**	**80,160,024**	**32,625,472**	**12,819,637**	**766,326,044**	**10,438,561**	**10,860,369**	**311,295**	**35,936,155**	**2,267,156**	**962,027,332**
Accumulated depreciation	**-**	**-**	**(65,121,208)**	**(18,761,001)**	**(12,122,240)**	**(511,277,617)**	**(5,252,183)**	**(7,299,425)**	**(311,285)**	**(19,050,677)**	**(1,588,653)**	**(640,784,289)**
Net book value	**5,282,619**	**5,000,000**	**15,038,816**	**13,864,471**	**697,397**	**255,048,427**	**5,186,378**	**3,560,944**	**10**	**16,885,478**	**678,503**	**321,243,043**
Annual rate of depreciation			**10%**	**10%**	**10%**	**10%**	**10%**	**10%**	**10%**	**20%**	**20%**	

	Note	2021	2020
		Rupees	

4.1.1 *Depreciation for the year has been allocated as under :*

	Note	2021	2020
Manufacturing expense	*29*	**37,511,924**	36,585,973
Fuel and power	*29.4*	**15,522,158**	15,692,517
Administration expenses	*30*	**4,981,660**	3,668,979
Other income	*33*	**8,144,603**	8,242,273
		66,160,345	64,189,742

4.2 The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year.

Paricular of Assets	Cost	Accumulated Depreciation	Book Value	Sales Proceeds	(Gain)/Loss on Disposal	Particulars of Purchaser	Relation with Buyer	Mode of Disposal
	Rupees							
Savio Automatic Cone Winder	11,063,724	(8,559,911)	2,503,813	2,654,867	151,054	Muhammad Irfan	None	Negotation
3 Waukesha Power Enginators-635 Kw	60,811,069	(59,497,871)	1,313,198	3,289,054	1,975,856	Muhammad Irfan	None	Negotation
Honda City (BJT-812)	2,475,300	(82,510)	2,392,790	2,375,000	(17,790)	Kaleemullah	None	Negotation
2021	**74,350,093**	**(68,140,292)**	**6,209,801**	**8,318,921**	**2,109,120**			
2020	-	-	-	-	-			

4.3 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of Immovable Property	Area
33-D-2, Block 6 , P.E.C.H.S, Karachi	Head Office	500 squre yards
SF-96, S/I.T.E, Karachi	Warehouse	11,250 squre feets
Hub Industrial Trading Estate, Balochistan	Mill	85,703 square metres

	Note	2021	2020
		Rupees	

5 **RIGHT-OF-USE ASSET**

	2021	2020
Opening book value	**27,966,050**	-
Add: Effect of the initial application of IFRS 16	-	31,961,200
	27,966,050	31,961,200
Less: Depreciation for the year	**(3,995,150)**	(3,995,150)
	23,970,900	27,966,050
Depreciation rate (per annum)	**12.50%**	12.50%

5.1 The terms and conditions of the lease contract entered into for the property situated at 33-D-2, Block 6, P.E.C.H.S, Karachi, is as follows:

Particulars	**Rented property in Karachi**
Lessor name	Mrs. Sabiha Younus and Mrs. Afshan Irfan
Lease agreement date	01-Jul-19
Lease commencement date	01-Jul-19
Initial contracted term of the lease	11 Months
Availability of extension option	Yes
Assessed leased term	8 years

6 INVESTMENT PROPERTY

	Leasehold Land	**Building on leasehold land**	**Total**
	Rupees		
As at June 30, 2019			
Cost	**6,812,875**	**138,657,806**	**145,470,681**
Accumulated depreciation	**-**	**(72,019,147)**	**(72,019,147)**
	6,812,875	**66,638,659**	**73,451,534**
Movement during the year ended June 30, 2020			
Opening net book value	6,812,875	66,638,659	73,451,534
Additions	-	-	-
Depreciation for the year	-	(10,759,625)	(10,759,625)
Closing net book value	6,812,875	55,879,034	62,691,909
As at June 30, 2020			
Cost	**6,812,875**	**138,657,806**	**145,470,681**
Accumulated depreciation	**-**	**(82,778,772)**	**(82,778,772)**
	6,812,875	**55,879,034**	**62,691,909**
Movement during the year ended June 30, 2021			
Opening net book value	6,812,875	55,879,034	62,691,909
Additions	-	-	-
Depreciation for the year	-	(10,452,096)	(10,452,096)
Closing net book value	6,812,875	45,426,938	52,239,813
As at June 30, 2021			
Cost	**6,812,875**	**138,657,806**	**145,470,681**
Accumulated depreciation	**-**	**(93,230,868)**	**(93,230,868)**
	6,812,875	**45,426,938**	**52,239,813**
Depreciation rate (per annum)	**-**	**10%**	

6.1 Investment property includes leasehold land and buildings thereon, spread over an area of 4.28 acres. It is situated at Survey No. 54 Deh. Gondpass, Tapo Gabapat, Kemari Town, Karachi. Investment property has been leased out (under an operating lease) to M/s. Sana Logistics (Private) Limited (subsidiary).

6.2 Latest valuation of investment property was carried out by M/s. RBS Associates (Private) Limited. As per valuation report, as on reporting date, the fair market value of Land amounts to Rs. 200.2 million and Building amounts to Rs. 321.780 million.

6.3 The forced sales value as of March 07, 2020, amounted to Rs. 802.211 million.

7 INVESTMENT IN SUBSIDIARIES - At cost

			Note	**2021**	2020
				Rupees	
3,500,000	3,500,000	Sana Logistics (Private) Limited	*7.1*	**35,000,000**	35,000,000
5,999,999	-	Sana Distributors (Private) Limited	*7.2*	**59,999,990**	-
9,499,999	3,500,000			**94,999,990**	35,000,000

7.1 Investment in Sana Logistics (Private) Limited

As at June 30, 2021, the Company held 3,500,000 (2020: 3,500,000) ordinary shares of M/s. Sana Logistics (Private) Limited (SLPL) which gives the Company 70% (2020: 70%) voting power in SLPL. The principal business activity of SLPL is to warehousing services to its customers, who may have specialized requirements with respect to storage temperatures, environment, handling of goods while adhering to all the best practices and compliant to modern day warehousing management technique. The registered office of SLPL is situated at 33-D-2, Block 6, P.E.C.H.S, Karachi.

Based on its financial statements for the year ended June 30, 2021, the summarized financial information of M/s. Sana Logistics (Private) Limited is as under:

	2021	2020
	Rupees	
Current assets	**131,510,948**	148,734,151
Non-current assets	**242,470,773**	293,677,015
Current liabilities	**205,891,766**	162,063,797
Non-current liabilities	**66,597,317**	158,260,496
Revenue-net	**274,146,047**	356,177,678
(Loss) / profit after tax for the year	**(20,594,235)**	20,606,879
Total comprehensive (loss) / income for the year	**(20,594,235)**	20,606,879

7.2 Investment in Sana Distributors (Private) Limited

As at June 30, 2021, the Company held 5,999,999 (2020: Nil) ordinary shares of M/s. Sana Distributors (Private) Limited (SDPL) which gives the Company 99.99% (2020: Nil) voting power in SDPL. The principal business activity of SDPL is the distribution of lubricants and allied items and to act as general traders. The registered office of SDPL is situated at 33-D-2, Block 6, P.E.C.H.S, Karachi.

8 LONG TERM DEPOSITS AND PREPAYMENTS

	2021	2020
	Rupees	
Long term security deposits with:		
- Utility companies	**2,603,551**	2,603,551
- Central Depository Company (CDC)	**12,500**	12,500
- Other	**100,000**	100,000
	2,716,051	2,716,051
Long term prepayments	**40,000**	40,000
	2,756,051	2,756,051

9 DEFERRED TAXATION- net

	2021				
	Balance at the beginning of the year	Charge / (income) recognized in statement of profit or loss	Charge / (income) recognized in other comprehensive income	Charge / (income) recognized in Unappropriated profits	Balance at the end of the year
	(Rupees)				
Deferred tax liability arising from:					
- Accelerated depreciation allowance	**30,366,294**	**(3,816,622)**	**-**	**-**	**26,549,672**
Deferred tax assets arising from:					
- Unused tax losses	**(3,168,402)**	**3,168,402**	**-**	**-**	**-**
- Minimum tax	**(21,329,204)**	**12,485,377**	**-**	**-**	**(8,843,827)**
- Provision for staff retirement benefits	**(10,064,944)**	**(1,865,484)**	**1,872,207**	**-**	**(10,058,221)**
- Gas infrastructure cess liability	**-**	**-**		**(20,139,375)**	**(20,139,375)**
- Allowance for expected credit losses	**(217,500)**	**(101,500)**	**-**	**-**	**(319,000)**
- Lease liability - net	**(1,158,549)**	**428,596**	**-**	**-**	**(729,953)**
- Deferred government grant	**-**	**469,427**	**-**	**-**	**469,427**
- Re-financing Scheme for salaries and wages	**-**	**(289,472)**	**-**	**-**	**(289,472)**
	(5,572,305)	**10,478,724**	**1,872,207**	**(20,139,375)**	**(13,360,749)**

	2020				
	Balance at the beginning of the year	Charge / (income) recognized in statement of profit or loss	Charge / (income) recognized in other comprehensive income	Charge / (income) recognized in Unappropriated profits	Balance at the end of the year
	(Rupees)				
Deferred tax liability arising from:					
- Accelerated depreciation allowance	36,707,697	(6,341,403)	-		30,366,294
Deferred tax assets arising from:					
- Unused tax losses	-	(3,168,402)			(3,168,402)
- Minimum tax	-	(21,329,204)			(21,329,204)
- Provision for staff retirement benefits	(6,178,490)	(2,809,695)	(1,076,759)		(10,064,944)
- Allowance for expected credit losses	-	(217,500)			(217,500)
- Lease liability - net	-	(1,158,549)			(1,158,549)
	30,529,207	(35,024,753)	(1,076,759)		(5,572,305)

10 STOCK IN TRADE

	Note	**2021**	2020
		Rupees	
Raw materials			
- in hand		**141,019,643**	68,567,457
- in transit		**8,686,960**	-
		149,706,603	68,567,457
Packing materials		**5,104,695**	4,294,995
Work in process		**13,904,366**	34,610,933
Finished goods		**70,631,209**	91,199,918
Waste materials		**1,103,350**	2,820,350
		240,450,223	201,493,653

11 TRADE DEBTS- Unsecured

	Note	**2021**	2020
Considered good		**441,291,605**	247,906,234
Considered doubtful		**1,100,000**	750,000
		442,391,605	248,656,234
Less: provision for expected credit losses	*11.1*	**(1,100,000)**	(750,000)
		441,291,605	247,906,234

		Note	2021	2020
11.1	**Movement in provision for doubtful debts**	*Note*	—— Rupees ——	
	Balance at the beginning of the year		**750,000**	500,000
	Charge recognized during the year		**350,000**	250,000
	Balance at the end of the year		**1,100,000**	750,000

12 LOANS AND ADVANCES

	Note	2021	2020
Loans to employees	*12.1*	**5,395,276**	3,899,398
Advances:			
- to contractors	*12.2*	**120,000**	32,384,754
- to suppliers	*12.3*	**29,630,705**	3,842,439
- to employees		**612,500**	1,458,800
		30,363,205	37,685,993
		35,758,481	41,585,391

12.1 This represents interest-free loans provided to employees in accordance with the Company's policy. These loan are repayable within one year and are recovered through deduction from salaries. These loans are secured against staff gratuity balances.

12.2 As of June 30, 2020, advances to contractors included an advance provided to a labour contractor, M/s. Al-Hafi & Co (Private) Limited, amounting to Rs.31.374 million. This advance was provided to mitigate COVID-19 impact on production labour. During the year, the advance was adjusted in full against receipt of services over 12 months.

12.3 This includes an advance provided to M/s. ICI Pakistan Limited amounting to Rs. 6.287 million (2020: Rs. 2.062 million). The advance is expected to be adjusted within 12 months from the reporting date against subsequent purchase of polyester fibre.

		Note	2021	2020
13	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**	*Note*	—— Rupees ——	
	Deposits		**886,408**	828,035
	Prepayments		**1,054,076**	887,680
			1,940,484	1,715,715
14	**SHORT TERM INVESTMENTS**			
	Investment in Habib Islamic Investment Certificate	*14.1*	**1,705,555**	1,705,555
	Investment in units of mutual funds	*14.2*	**25,017,277**	-
			26,722,832	1,705,555

14.1 Investment in Habib Islamic Investment Certificate - At amortized cost

This represents an investment made by the Company in Habib Metro Islamic Investment Certificate which carries profit ranging from 4.40% to 8.25% p.a.

14.2 Investment in units of mutual funds- at fair value through profit or loss

2021	2020		**2021**		2020	
-- (Number of units) --		**Fund name**	**Cost**	**Fair value**	Cost	Fair value
			Rupees			
125,136	-	Faysal Islamic Cash Fund	**12,513,594**	**12,513,594**	-	-
124,342	-	First Habib Islamic Income Fund	**12,541,084**	**12,503,683**	-	-
249,478	-		**25,054,677**	**25,017,277**	-	-

15	OTHER RECEIVABLES	Note	2021	2020
			——— Rupees ———	
	Receivable from Sana Logistics (Private) Limited	*15.1*	**40,578,993**	15,733,686
	Receivable from Sana Distributors (Private) Limited	*15.2*	**1,512,229**	-
	Others	*44.2*	**2,711,805**	460,566
			44,803,027	16,194,252

15.1 Receivable from Sana Logistics (Private) Limited

	2021	2020
Rent receivable	**35,863,168**	14,863,167
Receivable in respect of expenses	**4,715,825**	870,519
	40,578,993	15,733,686

15.1.1 The maximum amount due from M/s. Sana Logistics (Private) Limited, with reference to month end balance, during the year was Rs. 40.578 million. (2020: Rs. 44.60 million)

	2021		2020	
	Gross	**Impairment**	Gross	Impairment
Not past due		-	-	-
Past due 1 day - 30 days	**3,699,756**	-	3,854,846	-
Past due 31 days - 180 days	**17,146,098**	-	11,878,840	-
Past due 181 days - 1 year	**19,733,139**	-	-	-
	40,578,993	-	15,733,686	-

15.2 Receivable from Sana Distributors (Private) Limited

The maximum amount due from M/s. Sana Distributors (Private) Limited, with reference to month end balance, during the year was Rs. 1.512 million.

	2021		2020	
	Gross	**Impairment**	Gross	Impairment
Not past due	-	-	-	-
Past due 1 day - 30 days	**243,300**	-	-	-
Past due 31 days - 180 days	**1,268,929**	-	-	-
Past due 181 days - 1 year	-	-	-	-
	1,512,229	-	-	-

16	TAX REFUNDS DUE FROM GOVERNMENT	Note	2021	2020
			——— Rupees ———	
	Income tax refundable		**55,621,575**	77,124,556
	Sales tax refundable		**24,978,898**	22,932,144
			80,600,473	100,056,700

17	CASH AND BANK BALANCES	Note	2021	2020
	Cash in hand		**1,395,971**	496,833
	Cash at bank:			
	- Balance held in current accounts		**17,829,311**	6,370,076
	- Balance held in saving accounts	*17.1*	**54,271,560**	46,445,424
	- Term Deposit Receipt (TDR)	*17.2*	**25,000,000**	-
			97,100,871	52,815,500
			98,496,842	53,312,333

17.1 These carry profit at the rates ranging between 2.84% to 4% (2020: 4.5% to 6.3%) per annum.

17.2 This represents a Term Deposit Receipt (TDR) placed with M/s. Dubai Islamic Bank Limited on June 14, 2021 amounting to Rs. 25 million. The deposit carries profit rate at the rate of 6.25% p.a and is due to mature on September 14, 2021.

18 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2021	2020		**2021**	2020
------- No. of shares ----------		Ordinary shares of Rs. 10/- each issued:	------- Rupees ----------	
6,406,250	4,000,000	- for cash	**64,062,500**	40,000,000
4,593,750	4,593,750	- as bonus shares	**45,937,500**	45,937,500
11,000,000	8,593,750		**110,000,000**	85,937,500

18.1 There are no agreements among shareholders in respect of voting rights, board selection, rights of first refusal and block voting.

18.2 During the year, the Company at their board meeting held on February 23rd, 2021 passed a resolution to increase its paid up capital to Rs. 110 million. The Company offered right shares to its existing shareholders at a price of Rs. 50 per share (i.e. at a premium of Rs. 40 per share) in a ratio of 28 shares for every 100 shares to its existing shareholders, comprising further issue of 2,406,250 shares. These shares were fully subscribed during the year and ranked pari-passu with other ordinary shares. A share premium amounting to Rs. 96.250 million was recognized in the books of accounts.

	Note	**2021**	2020
		Rupees	
19 LEASE LIABILITY			
Opening balance		**31,961,048**	-
Effect of the initial application of IFRS 16		-	31,961,200
Payments made during the year		**(5,956,150)**	(4,596,500)
Finance charges	*34*	**4,478,233**	4,596,348
		30,483,131	31,961,048
Less: Current maturity shown under current liabilities		**(5,708,856)**	(1,130,437)
Closing balance		**24,774,275**	30,830,611

20 LONG TERM FINANCING

From a banking company

	Note	**2021**	2020
Diminishing Musharaka	*20.1*	**27,374,381**	48,078,815
SBP Refinance Scheme for Payment of Salaries and Wages	*20.2*	**8,278,424**	24,301,698
		35,652,805	72,380,513

20.1 *Long term Musharaka under shariah arrangement*

	Note	**2021**	2020
- Habib Metropolitan Bank Limited	*20.1.1*	**56,279,551**	52,064,108
Less: Current maturity shown under current liabilities	*26*	**(28,905,170)**	(3,985,293)
		27,374,381	48,078,815

20.1.1

Date of Disbursement	Nature of loan	Amount Disbursed (Rs.)	Limit (June 30,2021)	Limit (June 30,2020)	Profit Rate (June 30,2021)	Profit Rate (June 30,2020)	Floor (June 30,2021)	Floor (June 30,2020)	Ceiling (June 30,2021)	Ceiling (June 30,2020)	Principal Outstanding as at June 30, 2021	Principal Outstanding as at June 30, 2020	Ending Date	Security
HABIB METROPOLITAN BANK:														
28-Oct-16	Generator Waukesha Model VHP 5904 LTD. (DM-373)	30,716,842	52.200 million	52.252 million	**6M KIBOR + 2%**	6M KIBOR + 2%	**6.0%**	7.5%	**13%**	19%	**10,238,950**	11,774,791	02-Jan-23	1st Charge registered over specific machinery value Rs. 38.396 million duly insured in Bank's favor covering all risk with premium payment receipt. DM-373.
16-Feb-17	4 Sets Drawframes Rieter (DM-410)	26,073,600			**6M KIBOR + 2%**	6M KIBOR + 2%	**6.0%**	7.5%	**13%**	19%	**9,560,320**	11,298,560	26-Apr-23	1st Charge registered over specific machinery value Rs. 32.592 million duly insured in Bank's favor covering all risk with premium payment receipt. DM-410
02-May-17	14 Sets Complete Ring Spinning Frames. (DM-411)	55,442,587			**6M KIBOR + 2%**	6M KIBOR + 2%	**6.0%**	7.5%	**13%**	19%	**21,252,996**	24,949,168	22-May-23	1st Charge registered over specific machinery value Rs. 69.303 million duly insured in Bank's favor covering all risk with premium payment receipt. DM-411.
07-Apr-17	4 Sets Twister Machine China. (DM-420)	8,660,544			**6M KIBOR + 2%**	6M KIBOR + 2%	**6.0%**	7.5%	**13%**	19%	**3,464,217**	4,041,589	20-Jun-23	1st Charge registered over specific machinery value Rs. 10.826 million duly insured in Bank's favor covering all risk with premium payment receipt. DM-420
29-Sep-20	HMBL DM -814 (Toyota Corolla Atlis)	3,184,000	11.8 Million	-	**6M KIBOR + 3%**	-	**7.0%**	-	**14%**	-	**2,388,001**	-	29-Sep-23	1) 'Fresh DM Assets for vehicle to be registered in the name of HMB favor duly insured through takaful Company along with contribution receipt and covering all risk and clauses. 2) Personal guarantee of all directors.
08-Dec-20	HMBL DM -820 (Kia Sportage Awd)	4,404,000			**6M KIBOR + 3%**	-	**6.0%**	-	**13%**	-	**3,670,002**	-	08-Dec-23	
23-Sep-20	HMBL DM -824 (Kia Picanto)	1,655,200			**6M KIBOR + 3%**	-	**6.0%**	-	**13%**	-	**1,241,398**	-	23-Sep-23	
15-Feb-21	HMBL DM -848 (Toyota Corolla Yaris)	2,196,000			**6M KIBOR + 3%**	-	**6.0%**	-	**12%**	-	**1,952,000**	-	15-Feb-24	
30-Mar-21	HMBL DM-856 (Toyota Corolla Atlis)	2,740,000			**6M KIBOR + 3%**	-	**6.0%**	-	**13%**	-	**2,511,667**	-	30-Mar-24	
											56,279,551	52,064,108		

20.2 ***Financing under SBP Refinance Scheme for Payment of Salaries and Wages***

	Note	2021	2020
		Rupees	
Balance at the beginning of the year		**37,047,692**	-
Add: Loan obtained during the year	20.2.1	**20,280,179**	41,027,805
Less: Element of government grant recognized as deferred income		**(1,697,414)**	(3,980,113)
		18,582,765	37,047,692
Add: Interest accrued during the year		**4,451,339**	-
Less: Installments paid during the year		**(17,082,741)**	-
		42,999,055	37,047,692
Less: Current portion shown under current liabilities	26	**(34,720,631)**	(12,745,994)
		8,278,424	24,301,698

20.2.1 In July 2020, the Company obtained third tranch of long term finance amounting to Rs. 20.280 million (June 30,2020: 41.027 million) from M/s. Habib Metropolitan Bank under the State Bank of Pakistan (SBP's) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns notified vide IH&SMEFD Circular No. 7 of 2020 dated April 10, 2020. The principal terms and conditions of the facility were as follows:

(a) The applicable markup rate is 3% per annum;

(b) The tenor of the facility is 2.5 years (including 6-months grace period ended on December 31, 2020); and

(c) The loan is to repaid in 8 equal quarterly installments commencing from March 2021 whereas profit on outstanding loans are to be repaid quarterly which were commenced from September 2020.

Since the facility carries an interest rate of 3% per annum, which is well below the market interest rate. (determined as 6- months KIBOR plus 3%). Hence, as per IAS 20 "*Accounting for Government Grant and Disclosure of Government Assistance"* the facility contained an element of government grant. Accordingly, the Company measured the loan liability at it's fair value amounting to Rs. 18.582 million (June 30, 2020: Rs. 37.047 million) (determined on a present value basis) and recognized the difference between disbursement proceeds from bank and the said fair value, amounting to Rs. 1.697 million (June 30,2020: Rs. 3.980 million) as deferred government grant in the statement of financial position.

			2021	2020
21	**DEFERRED LIABILITIES**	*Note*	Rupees	
	Deferred government grant	*21.1*	**575,113**	1,376,125
	Provision for compensated absences	*21.2*	**831,815**	831,315
	Staff retirement benefits- defined benefit plan (gratuity)	*21.3*	**34,683,517**	34,706,703
	Provision for Gas Infrastructure Development Cess	*21.4*	**69,446,121**	-
			105,536,566	36,914,143

21.1	**Deferred government grant**			
	Opening balance		**3,980,113**	-
	Add: Element of government grant recorded during the year		**1,697,414**	3,980,113
	Less: Amortization of government grant during the year		**(3,316,128)**	-
			(1,618,714)	3,980,113
	Less: Current maturity shown under current liabilities		**(1,786,286)**	(2,603,988)
			575,113	1,376,125

21.2	**Provision for compensated absences**			
	Balance at beginning of the year		**831,315**	1,945,196
	Charge for the year		**-**	-
	Benefits paid during the year		**-**	(1,113,881)
	Balance at end of the year		**831,315**	831,315

21.2.1 With effect from July 01, 2019, the Company changed its policy with respect to employees' leave entitlement and encashment whereby casual and sick leaves allowed to employees shall no longer be carried forward and shall be treated as lapsed if not availed during the year.

21.3 **Staff retirement benefits- defined benefit plan (gratuity)**

The Company operates an approved funded gratuity plan for its permanent employees ('the plan'). Actuarial valuation of the plan is carried out every year. Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882, the Companies Act, 2017, Income Tax Rules, 2002, and the Trust Deed. Responsibility for governance of the plan, including investment decisions and contribution schedules, lies with the Board of Trustees of the plan.

The latest actuarial valuation of the plan as at June 30, 2021 was carried out by M/s. SIR Consultants using the Projected Unit Credit Method. Details of the plan as per the actuarial valuation are as follows:

	Note	2021	2020
		Rupees	
Present value of defined benefit obligation	*21.3.1*	**(88,065,412)**	(91,008,675)
Fair value of plan assets	*21.3.2*	**53,381,895**	56,301,972
		(34,683,517)	(34,706,703)

21.3.1 Movement in defined benefit obligation

	2021	2020
Opening defined benefit obligation	**91,008,675**	78,909,493
Current service cost	**6,912,658**	6,641,050
Interest cost	**6,932,448**	11,123,969
Benefits paid by the fund	**(18,900,938)**	(1,693,108)
Remeasurement loss / (gain) on obligation	**2,112,569**	(3,972,729)
Closing defined benefit obligation	**88,065,412**	91,008,675

21.3.2 Movement in the fair value of plan assets

	2021	2020
Balance at beginning of the year	**56,301,972**	57,604,355
Expected return on plan assets	**4,212,405**	8,087,217
Contribution	**3,200,000**	-
Audit fee	-	(10,800)
Benefits paid by the fund	**(18,900,938)**	(1,693,108)
Remeasurement gain / (loss) on plan assets	**8,568,456**	(7,685,692)
Balance at end of the year	**53,381,895**	56,301,972

21.3.3 Expense recognized in the statement of profit or loss

	2021	2020
Current service cost	**6,912,658**	6,641,050
Net interest expense	**2,720,043**	3,036,752
Audit fee	-	10,800
	9,632,701	9,688,602
Allocation of the expenses:		
- Cost of sales	**3,853,080**	3,933,648
- Administrative expenses	**5,009,005**	5,043,537
- Distribution cost	**770,616**	711,417
	9,632,701	9,688,602

21.3.4 Remeasurement (gain) / loss recognised in other comprehensive income

	2021	2020
Remeasurement of the present value of defined benefit obligation		
- Financial assumptions	**(1,829,327)**	(2,380,390)
- Experience adjustments	**3,941,896**	(1,592,339)
	2,112,569	(3,972,729)
Remeasurement of the fair value of plan assets		
- Financial assumptions	**(8,568,456)**	7,685,692
	(6,455,887)	3,712,963

21.3.5 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

June 30, 2021	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	Rupees		
Discount rate	**1%**	**83,608,020**	**93,251,364**
Expected rate of salary increase	**1%**	**93,625,756**	**83,190,642**
Mortality age	**1 year**	**88,064,744**	**88,066,079**
Withdrawal rates	**10%**	**88,066,560**	**88,064,263**

June 30, 2020	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	Rupees		
Discount rate	1%	86,446,826	96,278,436
Expected rate of salary increase	1%	96,669,075	86,008,177
Mortality age	1 year	91,008,675	91,008,675
Withdrawal rates	10%	91,008,675	91,008,675

21.3.6 Principal assumptions used

	2021	2020
Withdrawal rates	**Low**	Low
Mortality rates	**SLIC 2001-2005**	SLIC 2001-2005
Expected rate of increase in future salary (per annum)	**10.00%**	8.50%
Discount rate - per annum	**10.00%**	8.50%
Expected rate of return on plan assets	**10.00%**	8.50%
Normal retirement age	**60 years**	60 years

21.3.7 Composition of plan assets

	2021	2020
	Rupees	
Equity securities and units of mutual funds	**46,766,560**	16,486,468
Bank balances	**5,419,955**	38,241,593
Investment Certificate	**1,195,380**	1,195,380
Profits on advance to members	-	370,000
Profits on PLS accounts	-	8,531
	53,381,895	56,301,972

21.4 Provision for Gas Infrastructure Development Cess

During the year, the Honorable Supreme Court of Pakistan has decided the appeal against consumers upholding the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act), through its judgement dated August 13, 2020. The Supreme Court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act in complete sense and the benefits allowed under section 8(2) of the GIDC Act to the industrial sector is also available. Further, payment of due gas infrastructure Development Cess (the Cess) was allowed in 48 installments instead of 24 installments.

On a prudent basis, the Company has recorded the present value of the undisputed Cess amounting to Rs. 94.95 million by discounting the future cashflows (assuming to be commenced from September 2022) using four year PKRV rate (risk-free rate) amounting to Rs. 63.916 million (June 30, 2020: Nil). Further, the unwinding of GIDC during the year amounts to Rs. 5.5 million recorded as finance cost.

The Company also filed a civil suit before the Honourable High Court of Sindh on the ground that the Company has not passed the burden of cess. Stay order was granted in the aforesaid suit, which has been operative till the next date of hearing. The remaining disputed amount of Rs. 61.53 million has been shown as a contingent liability.

			2021	2020
21.4.1	**Gas infrastructure cess liability**	*Note*	Rupees	
	Opening balance		-	-
	Gas infrastructure cess liability recorded during the year		**63,915,582**	-
	Unwinding of GIDC liability	34	**5,530,539**	-
	Closing balance		**69,446,121**	-

22 SHORT TERM BORROWINGS

		2021	2020
Istisna financing:			
Habib Metropolitan Bank Limited	*22.1*	**282,582,668**	-
Murabaha financing:			
Habib Metropolitan Bank Limited		-	279,289,265
Standard Chartered Bank Limited	*22.2*	**123,076,417**	132,921,325
Bank Al Habib Limited	*22.3*	**120,147,409**	-
		243,223,826	412,210,590
		525,806,494	412,210,590

22.1 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 300 million (June 30, 2020: Nil) as a sub-limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2020: Nil). The maximum tenor of the Istisna Financing is 180 days.

The arrangement is secured against the following:

- 1st charge registered over land and building of Rs. 340 million and 1st charge over plant and machinery of Rs. 210 million making a total of Rs. 550 million with a 40% margin registered with the SECP duly insured in bank's favour covering all risks with premium payment receipt;

- 1st charge registered over stocks / receivables amounting to Rs. 400 million with a 25% margin duly insured in bank's favour covering all risks and premium payment receipt;

- 1st charge registered over exclusive and specific machinery amounting to Rs. 139.791 million with a 40% margin registered with SECP; and

- Personal guarantee of the directors Mr. Muhammad Younus Nawab, Mr. Muhammad Irfan Nawab, Mr. Muhammad Ibrahim Younus and Mr. Faizullah.

22.2 Short term murabaha has been obtained, under shariah arrangement, for the regular purchase of raw material. The bank has approved a facility of Rs. 134 million (2020: Rs. 134 million). The markup rate on murabah facility is 3-month KIBOR + 1.5% (2020: 3-month KIBOR + 1.5%). The maximum tenor of the murabaha is 150 days.

The arrangement is secured against the following:

- First pari-passu charge over fixed assets (land and building) on plot No. B-183 to B-188, B-197 to B-199, 760, 761, 767, 770 situated at HITE, Hub, Balochistan;

- Pari-passu charge over stocks and receivables of the Company amounting to Rs. 200 million; and

- Personal guarantee of directors, Mr. Irfan Nawab, Mr. Ibrahim Younus and Mr. Younus Nawab amounting to Rs. 174 million.

22.3 Short term murabaha has been obtained, under shariah arrangement, to facilitate the import of raw material and other related items. The bank has approved a facility of Rs. 125 million. The markup rate on murabaha facility is average KIBOR + 1.75% . The maximum tenor of the murabaha is 120 days.

The arrangement is secured against the following:

- Pari-Passu charge over stocks and receivables amounting to Rs. 167 million with a 25% margin;
- Import documents consigned to the order of Bank Al-Habib Limited;
- Equitable mortgage charge over land and building of Rs. 281 million constructed on Plot Survey No. 54 located at Deh Gondpass, situated at Tapo Gabopat, Kemari Town, Karachi; and
- Personal guarantee of the directors, Mr. Muhammad Irfan Nawab, Mr. Ibrahim Younus and Mr. Muhammad Younus Nawab, covering aggregate exposure.

22.4 As at June 30, 2021, the Company had unavailed financing facilities of Rs. 33.19 million (2020: Rs.21.789 million).

23 TRADE AND OTHER PAYABLES

	Note	**2020**	2019
		Rupees	
Creditors		**33,075,745**	32,766,143
Advance from customers	*23.1*	**19,039,839**	66,516,216
Accrued expenses		**23,038,351**	19,541,398
Gas rate difference		**56,040,620**	51,505,587
Workers' Profits Participation Fund payable	*23.2*	**17,158,747**	13,031,537
Workers' Welfare Fund payable		**2,799,348**	-
Sales tax payable		**26,261,144**	7,273,270
Withholding Income tax payable		**514,096**	457,476
Others		**13,787,118**	8,626,852
		191,715,008	199,718,479

23.1 During the year, the performance obligations underlying the opening contract liability of Rs. 66.516 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 19.040 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

23.2 Workers' Profit Participation Fund payable

	2021	2020
	Rupees	
Opening balance	**13,031,537**	18,847,422
Add:		
- Contribution for the year	**7,366,706**	-
- Interest accrued	-	202,856
	7,366,706	202,856
Less: Payment during the year	**(3,239,496)**	(6,018,741)
	17,158,747	13,031,537

24 LOANS FROM DIRECTORS AND SPONSORS - unsecured

Loan from directors	**4,660,000**	8,410,000
Loan from sponsors	**2,000,000**	7,500,000
	6,660,000	15,910,000

24.1 These represent short-term interest-free borrowings from directors and sponsors to meet working capital requirements of the Company. The loans are repayable on demand.

			2021	2020
25	**ACCRUED MARKUP**	*Note*	Rupees	
	Markup accrued on:			
	-Short term borrowings		**9,206,038**	23,206,177
	-Long term financing- Diminishing Musharaka		**175,000**	1,606,559
			9,381,038	24,812,736

26	**CURRENT PORTION OF LONG-TERM FINANCING**			
	Current maturity of long term musharaka	*20.1*	**28,905,170**	3,985,293
	Current maturity of financing under SBP Refinance Scheme for Payment of Salaries and Wages	*20.2*	**34,720,631**	12,745,994
			63,625,801	16,731,287

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Further tax applied on Company's yarn sales at the rate of 1% amounting to Rs. 30,091,271 has been suspended by the Islamabad High Court through W.P. No 416/2018. Company's legal counsel is of the opinion that the matter shall be decided in the Company's favour, previously and during this year the Company has collected and paid whatever further tax was due according to the statutory requirements.

27.1.2 As explained in note 21.4, Company has not recognized the additional amount of cess in respect of GIDC amounting to Rs. 61.53 million, as notified to the Company through monthly gas bills.

27.1.3 The Company approached the Lasbella Industrial Estates Development Authority (LIEDA) to charge concessional rate on electricity distributed to the Company as the Company falls under the Zero rated sector. The LIEDA rejected the Company's application claiming that LIEDA is not a distributor Company. The LIEDA itself purchases electricity from K-electric and sell it to the Companies located within the jurisdiction of LIEDA.

The Company filed a Constitutional petition vide C.P no- D-558 of 2020 in the High Court of Sind for relief.

The Court orders interim relief in favour of the Company and directed the LIEDA to issue bills by excluding the quarterly tariff adjustment and other disputed charges till final decision. Accordingly, on the advice of its legal counsel, the Company had not recognize expense against such overbillings amounting to Rs. 4.33 million.

		2021	2020
27.2	**Commitments**	Rupees	
	- Irrevocable letter of credit issued for purchase of raw material and plant & equipment	**351,347,589**	77,243,846
	- Custom duties, sales tax and income taxes on stock in transit.	**5,018,520**	-
	- Revolving letter of guarantee issued by Habib Metropolitan Bank Limited in favour of Sui Southern Gas Company Limited	**29,376,305**	29,376,305

28	**REVENUE - net**		
	Yarn sales	**2,483,854,040**	1,634,518,857
	Raw material sales	**21,537,860**	26,719,094
	Wastage sales	**10,609,395**	6,226,439
		2,516,001,295	1,667,464,390
	Less: Sales tax	**(381,984,683)**	(245,517,453)
	Less: Commission and discounts	**(5,017,211)**	(2,950,347)
		2,128,999,401	1,418,996,590

		Note	2021	2020
			Rupees	
29	**COST OF SALES**			
	Raw and packing materials consumed	*29.1*	**1,139,273,520**	908,311,730
	Manufacturing expenses			
	Stores and spares consumed	*29.2*	**84,097,856**	35,717,369
	Salaries, wages and benefits	*29.3*	**277,665,316**	219,777,659
	Fuel and power	*29.4*	**238,354,739**	167,464,728
	Services procured		**7,450,741**	329,380
	Repairs and maintenance		**11,485,716**	3,777,677
	Vehicle repairs and maintenance		**4,372,020**	3,989,641
	Insurance		**2,585,659**	2,403,452
	Loading and unloading expenses		**4,405,412**	3,255,688
	Entertainment expenses		**1,189,277**	814,043
	Rent, rates and taxes		**524,185**	465,460
	Depreciation on operating fixed assets	*4.1.1*	**37,511,924**	36,585,973
	Security		**3,095,813**	3,047,437
	Water expenses		**7,921,500**	2,925,000
	Other manufacturing expenses		**2,839,616**	2,626,239
			683,499,775	483,179,746
	Work-in-process - opening stock		**34,610,933**	42,220,855
	Work-in-process - closing stock		**(13,904,366)**	(34,610,933)
			20,706,567	7,609,922
	Cost of goods manufactured		**1,843,479,862**	1,399,101,398
	Finished goods - opening stock		**91,199,918**	21,400,557
	Waste material- opening stock		**2,820,350**	1,920,275
	Purchases		**-**	2,760,000
	Finished goods - closing stock		**(70,631,209)**	(91,199,918)
	Waste material- closing stock		**(1,103,350)**	(2,820,350)
			22,285,709	(67,939,436)
			1,865,765,571	1,331,161,962

29.1 Raw and packing materials consumed

	2021	2020
Opening stock	**72,862,452**	148,600,838
Add: Purchases during the period	**1,212,535,406**	832,573,344
	1,285,397,858	981,174,182
Less : Closing stock	**(146,124,338)**	(72,862,452)
	1,139,273,520	908,311,730

29.2 Stores and spares consumed

	2021	2020
Opening stock	**6,828,622**	-
Add: Purchases during the period	**83,966,449**	42,545,991
	90,795,071	42,545,991
Less : Closing stock	**(6,697,215)**	(6,828,622)
	84,097,856	35,717,369

29.3 This includes an amount of Rs. 3.853 million (2020: Rs. 3.933 million) in respect of staff retirement benefits.

		Note	2021	2020
			Rupees	
29.4	**Fuel and power- generation costs**			
	Gas expenses		**158,885,746**	119,335,483
	Electricity		**54,730,382**	18,931,522
	Generator operation and maintenance		**7,900,695**	6,463,194
	Oil and lubricants		-	3,575,626
	Repairs and maintenance		**563,277**	2,722,757
	Depreciation on operating fixed assets	*4.1.1*	**15,522,158**	15,692,517
	Insurance		**442,559**	503,659
	Electricity duty		**309,922**	229,970
	Others		-	10,000
			238,354,739	167,464,728

		Note	2021	2020
30	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	*30.1*	**14,937,079**	12,549,597
	Directors' remuneration	*30.2*	**27,465,734**	26,808,679
	Meeting fee		**285,000**	105,500
	Printing and stationery		**375,151**	338,592
	Legal and professional charges		**7,385,708**	2,509,243
	Fees and subscription		**2,241,866**	1,455,718
	Travelling and conveyance		**3,350**	1,147,391
	Repairs and maintenance		**2,755,691**	2,331,176
	Rent, rates and taxes		-	205,000
	Depreciation on operating fixed assets	*4.1.1*	**4,981,660**	3,668,979
	Depreciation on right-of-use assets	*5*	**3,995,150**	3,995,150
	Security expenses		**311,702**	333,702
	Electricity and gas		**1,714,655**	1,156,773
	Insurance		**564,224**	408,126
	Donation		**100,000**	-
	Auditors' remuneration	*30.3*	**957,000**	870,000
	Miscellaneous		**1,780,775**	1,559,579
			69,854,745	59,443,205

30.1 This includes an amount of Rs. 0.964 million (2020: Rs.0.914 million) in respect of staff retirement benefits.

30.2 This includes an amount of Rs. 4.045 million (2020:Rs. 4.129 million) in respect of staff retirement benefits.

		Note	2021	2020
30.3	**Auditors' remuneration**		Rupees	
	Audit fee (including audit of consolidated financial statements)		**660,000**	600,000
	Half yearly review fee		**220,000**	200,000
	Statutory certifications		**55,000**	50,000
	Out-of-pocket expenses		**22,000**	20,000
			957,000	870,000

		Note	2021	2020
31	**DISTRIBUTION EXPENSES**			
	Salaries, wages and benefits	*31.1*	**12,098,572**	11,645,792
	Packing and forwarding expenses		**8,804,667**	7,281,712
	Communication		**220,981**	208,962
	Sales promotion expenses		-	133,119
	Miscellaneous expense		**117,250**	236,575
			21,241,469	19,506,160

31.1 This includes an amount of Rs. 0.771 million (2020: Rs. 0.711 million) in respect of staff retirement benefits.

		Note	2021	2020
			Rupees	
32	**OTHER OPERATING EXPENSES**			
	Increase in provision for expected credit losses	*11.1.*	**350,000**	250,000
	Workers' Profit Participation Fund		**7,366,706**	-
	Workers' Welfare Fund		**2,799,348**	-
	Unrealised loss on re-measurement of investments		**37,400**	-
			10,553,455	250,000
33	**OTHER INCOME**			
	Rental income-net			
	Rental income		**37,216,500**	36,000,000
	Operation and maintenance charges		**5,037,420**	3,754,241
			42,253,920	39,754,241
	Less: Related expenses			
	Depreciation on property, plant and equipment	*4.1.1*	**(8,144,603)**	(8,242,273)
	Depreciation on investment property	*6*	**(10,452,096)**	(10,759,625)
	Insurance		**(1,062,547)**	(783,655)
	Finance cost		**-**	(15,189)
			(19,659,246)	(19,800,742)
			22,594,674	19,953,499
	Return on deposits - Islamic bank		**1,123,072**	502,044
	Profit on Habib Islamic Investment Certificate		**78,540**	133,675
	Profit on Term Deposit Receipt (TDR)		**7,277**	-
	Dividend Income		**64,327**	-
	Gain on sale of operating fixed assets		**7,732,213**	2,275,963
	Amortization of deferred government grant		**3,316,128**	-
	Others		**1,140,975**	-
			36,057,206	22,865,181
34	**FINANCE COSTS**			
	Markup and interest charges on:			
	- Long term financing		**7,759,777**	7,438,590
	- Short term borrowings		**36,586,139**	61,312,546
	- Lease liability	*19*	**4,478,233**	4,596,348
	- SBP refinance scheme for Payment of Salaries and Wages	*20.2*	**4,451,339**	-
			53,275,488	73,347,484
	Bank charges		**897,031**	923,329
	Finance charges on Workers' Profit Participation Fund		**-**	202,856
	Documentation charges		**194,295**	121,330
	Unwinding of GID cess liability	*21.4*	**5,530,539**	-
	Guarantee commission		**406,806**	169,255
	Local letter of credit charges		**169,142**	33,830
			60,473,301	74,798,084
35	**TAXATION**			
	Current			
	- for the year		**31,934,991**	21,329,204
	- for prior year		**(24,375)**	1,853,763
			31,910,616	23,182,967
	Deferred		**10,478,724**	(35,024,753)
			42,389,340	(11,841,786)

35.1 The income tax assessments of the Company have been finalized up to, and including, the tax year 2020. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Company for the purpose of re-assessment.

35.2 The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate as required by IAS 12 *'Income Taxes'* has not been presented for the comparative year since the Company had suffered an accounting loss before tax in that year and its income (subject to taxation under the normal tax regime) had attracted the provisions of section 113 (Minimum tax) of the Income Tax Ordinance, 2001.

36 EARNINGS / (LOSS) PER SHARE

36.1 Basic earnings / (loss) per share

	Note	**2021**	2020
		Rupees	
Profit / (loss) after taxation		**94,778,726**	(31,455,854)
			(Restated)
		Number	
Weighted average number of ordinary shares outstanding	*36.1.1*	**9,318,533**	8,758,043
		Rupees	
Earnings / (loss) per share - basic and diluted	*36.1.1*	**10.17**	(3.59)

36.1.1 In accordance with the requirement of the International Accounting Standard (IAS) 33 *'Earnings Per Share',* the basic loss per share of the Company for the year ended June 30, 2020 has been retrospectively adjusted for the effect of bonus element contained in the issue of rights shares made during the year. For this purpose, the weighted average number of ordinary shares outstanding immediately before the rights issue has been increased by the bonus adjustment factor of 1.0192 which, in turn, has been determined as the fair value of an ordinary share of the Company as on the date of issuance of the rights offer i.e. March 22, 2021 (amounting to Rs. 54.69 per share) divided by the theoretical ex-rights price per share (determined as Rs. 53.66 per share).

36.2 Diluted earnings / (loss) per share

There is no dilutive effect on the basic earnings / (loss) per share of the Company, since there were no potential shares in issue as at June 30, 2021 and June 30, 2020.

37 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	Rupees							
Basic salary	**9,538,120**	8,779,680	**6,153,280**	6,415,920	**3,835,080**	3,593,880	**19,526,480**	18,789,480
House rent allowance	**5,992,055**	3,407,040	**2,387,840**	2,489,760	**1,448,240**	1,394,640	**9,828,135**	7,291,440
Retirement benefits	**1,118,241**	2,385,459	**636,799**	1,743,220	**1,002,474**	615,637	**2,757,514**	4,744,316
Utilities	**996,520**	917,280	**642,880**	670,320	**400,680**	375,480	**2,040,080**	1,963,080
	17,644,936	15,489,459	**9,820,799**	11,319,220	**6,686,474**	5,979,637	**34,152,209**	32,788,316
Number of persons	**1**	1	**1**	1	**1**	1		

37.1 The Chief Executive and Director have also been provided with free use of the Company maintained cars and residential telephones. Executive has been provided with Company maintained car and mobile phone.

38	PLANT CAPACITY AND ACTUAL PRODUCTION	2021	2020
		Number	
	Number of spindles installed	**31,488**	31,488
	Number of spindles operated	**31,488**	31,488
	Installed capacity in kgs. after conversion into 30 single count	**7,125,734**	7,028,121
	Actual production of yarn in kgs. after conversion into 30 single count	**6,662,976**	5,211,969
	Number of shifts worked per day	**3**	3

38.1 Actual production is less than the installed capacity due to gap between market demand and supply.

39 FINANCIAL INSTRUMENTS

39.1 Financial risk analysis

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

39.1.1 *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided credit limits according to their net worth and also obtains advance payments against local sales. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for **90 days** or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

The maximum exposure to credit risk at the reporting date was as follows :

		2021	2020
		Rupees	
Long-term deposits		**2,716,051**	2,716,051
Trade debts	*(a)*	**441,291,605**	247,906,234
Short term loan to employees		**5,395,276**	3,899,398
Short term trade deposits		**886,408**	828,035
Short term investments		**1,705,555**	1,705,555
Other receivables		**44,803,027**	16,194,252
Bank balances	*(b)*	**97,100,871**	52,815,500
		593,898,793	326,065,025

(a) As of the reporting date, the risk profile of the trade receivables as of the reporting date is as follows:

	2021		2020	
	Gross carrying amount	**Life time expected credit losses**	Gross carrying amount	Life time expected credit losses
Not past due	**341,131,247**	**-**	99,693,158	-
Past due 1 day - 30 days	**56,222,881**	**-**	24,678,907	-
Past due 31 days - 60 days	**20,694,897**	**-**	26,668,597	-
Past due 61 days - 90 days	**6,940,985**	**-**	23,256,351	-
Past due 91 days - 120 days	**4,774,335**	**(450,000)**	25,853,805	(250,000)
Above 120 days	**12,627,260**	**(650,000)**	48,505,416	(500,000)
	442,391,605	**(1,100,000)**	248,656,234	(750,000)

(b) The bank balances along with credit ratings are tabulated below:

Bank	Rating agency	Short- term Rating	2021	2020
			----------(Rupees)----------	
Habib Metropolitan Bank Limited	PACRA	A-1+	**17,183,157**	33,314,549
Meezan Bank Limited	PACRA	A-1+	**21,965,628**	6,295,172
Bank Al-Habib Limited	PACRA	A-1+	**11,261,066**	5,199,416
Bank Alfalah Limited	PACRA	A-1+	**3,149,952**	2,261,400
United Bank Limited	JCR-VIS	A-1+	**1,615,949**	150,498
National Bank of Pakistan	PACRA	A-1+	**231,042**	872,637
Habib Bank Limited	PACRA	A-1+	**7,074,039**	2,009,587
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	**6,914,171**	1,898,956
Faysal Bank Limited	PACRA	A-1+	**1,233,342**	385,435
Dubai Islamic Bank Limited	JCR-VIS	A-1+	**25,168,676**	-
Al-Baraka Bank Limited	PACRA	A-1	**200,000**	-
J.S Bank Limited	PACRA	A-1+	**1,103,849**	427,850
			97,100,871	52,815,500

39.1.2 ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of adequate funds through committed credit facilities. The Company finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

On the reporting date, the Company had cash and bank balance amounting to Rs. 98.496 million (2020: Rs. 53.312 million) unutilized credit lines Rs. 33.19 million (2020: Rs. 21.789 million) and liquid assets in the form of short term securities amounting to Rs. 26.726 million (2020: Rs. 1.705 million).

The following are the contractual maturities of financial liabilities, including estimated interest payments (except interest payments on short term borrowings):

	30-Jun-21					
	Carrying amount	**Contractual Cash flows**	**Less than six months**	**Six to tweleve months**	**One to Five years**	**More than Five years**
		----------------------------------	(Rupees)	------------------------------------		
Lease liability	**30,483,131**	**46,914,111**	**2,969,505**	**3,110,910**	**40,833,696**	**-**
Long term financing	**99,278,606**	**108,711,768**	**32,888,090**	**31,949,594**	**43,874,084**	**-**
Short term Islamic borrowings	**525,806,494**	**525,806,494**	**525,806,494**	**-**	**-**	**-**
Trade and other payables	**69,901,214**	**69,901,214**	**69,901,214**	**-**	**-**	**-**
Loan from directors and sponsors	**6,660,000**	**6,660,000**	**6,660,000**	**-**	**-**	**-**
Accrued markup	**9,381,038**	**9,381,038**	**9,381,038**	**-**	**-**	**-**
	741,510,483	**767,374,625**	**647,606,341**	**35,060,504**	**84,707,780**	**-**

	30-Jun-20					
	Carrying amount	Contractual Cash flows	Less than six months	Six to tweleve months	One to Five years	More than Five years
		---------- (Rupees) ----------				
Lease liability	31,961,048	52,417,888	2,785,200	2,827,935	28,655,642	18,149,111
Long term loans from banking company	89,111,800	102,785,281	338,432	15,878,873	85,567,976	-
Short term Islamic financing	412,210,590	412,210,590	412,210,590	-	-	-
Trade and other payables	60,934,393	60,934,393	60,934,393	-	-	-
Loan from directors and sponsors	15,910,000	15,910,000	15,910,000	-	-	-
Accrued markup	24,812,736	24,812,736	24,812,736	-	-	-
	634,940,567	669,070,888	516,991,351	18,706,808	114,223,618	18,149,111

39.1.3 *Market risk*

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, interest rate risk and other price risk. The market risks associated with the Company's business activities are discussed as under:

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company was not exposed to currency risk since were no foreign currency transactions and balances at the reporting date.

ii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR).

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2021	2020	**2021**	2020
	Effective interest rate (%)		**Carrying amounts (Rs.)**	
Financial assets				
Bank deposits - *Saving account*	**2.84% to 4%**	4.5% to 6.3%	**54,271,560**	46,445,424
Term deposit receipt	**6.25%**	-	**25,000,000**	-
Short term investments	**4.40%-8.25%**	4.40%-8.25%	**1,705,555**	1,705,555
Financial liabilities				
Short term borrowings	**8.59% to 15.51%**	10.04%-17.60%	**525,806,494**	412,210,590

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not affect fair value of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit or loss	
	100 bp increase	**100 bp (decrease)**
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial instrument	**4,448,294**	**(4,448,294)**
As at June 30, 2020		
Cash flow sensitivity-Variable rate financial liabilities	3,640,596	(3,640,596)

iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as security prices. As of the reporting date, the Company was not exposed to other price risk.

39.2 Financial instruments by categories

As at June 30, 2021 **Financial assets**	**June 30, 2021** **At fair value through profit or loss**	**At fair value through other comprehensive income**	**At Amortized cost**	**Total**
	Rupees			
Long term deposits	-	-	**2,716,051**	**2,716,051**
Trade debts - unsecured	-	-	**441,291,605**	**441,291,605**
Short term loan to employees	-	-	**5,395,276**	**5,395,276**
Short term trade deposits	-	-	**886,408**	**886,408**
Short term investments	**25,017,277**	-	**1,705,555**	**26,722,832**
Other receivables	-	-	**44,803,027**	**44,803,027**
Cash and bank balances	-	-	**98,496,842**	**98,496,842**
	25,017,277	-	**595,294,764**	**620,312,041**

As at June 30, 2021	**Financial liabilities at amortized cost**
Financial liabilities	**Rupees**
Long term financing	**99,278,606**
Short term borrowings	**525,806,494**
Trade and other payables	**69,901,214**
Loans from directors and sponsors	**6,660,000**
Accrued markup	**9,381,038**
	711,027,352

As at June 30, 2020 **Financial assets**	June 30, 2020 At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	Total
	Rupees			
Long term deposits	-	-	2,716,051	2,716,051
Trade debts - unsecured	-	-	247,906,234	247,906,234
Short term loan to employees	-	-	3,899,398	3,899,398
Short term trade deposits	-	-	828,035	828,035
Short term investments	-	-	1,705,555	1,705,555
Other receivables	-	-	16,194,252	16,194,252
Cash and bank balances	-	-	53,312,333	53,312,333
	-	-	326,561,858	326,561,858

As at June 30, 2020 **Financial liabilities**	Financial liabilities at amortized cost Rupees
Long term financing	89,111,800
Short term borrowings	412,210,590
Trade and other payables	60,934,393
Loans from directors and sponsors	15,910,000
Accrued markup	24,812,736
	602,979,519

40 FAIR VALUE OF ASSETS AND LIABILITIES

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. Consequently, differences can arise between carrying values and the fair value estimates.

The Company measures fair value of its assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. As of the reporting date, the Company did not have any other financial instruments that required any valuation technique for their measurement.

The table below analyses assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

June 30, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	Amount in Rupees			
Financial assets mesured at fair value				
Short term investment in units of mutual funds	**25,017,277**	**-**	**-**	**25,017,277**

June 30, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
	Amount in Rupees			
Financial assets mesured at fair value				
Short term investments	-	-	-	-

41 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Following is the quantitative analysis of what the Company manages as capital:

	2021	2020
	Rupees	
Borrowings:		
Long term financing	**99,278,606**	89,111,800
Short term borrowings	**525,806,494**	412,210,590
Loans from directors and sponsors	**6,660,000**	15,910,000
	631,745,100	517,232,390
Shareholders' equity:		
- Issued, subscribed and paid up capital	**110,000,000**	85,937,500
- General reserve	**132,500,000**	132,500,000
- Share premium	**96,250,000**	-
- Unappropriated profits	**174,056,923**	127,064,475
	512,806,923	345,501,975
Total capital managed by the Company	**1,144,552,023**	862,734,365

The Company is not subject to any externally imposed capital requirements.

42 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of the subsidiary companies, key management personnel and directors of the Company as well as their close family members and employees' gratuity fund . Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive, Directors and executives is disclosed in note 36 to the unconsolidated financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

	2021	2020
	Rupees	
SUBSIDIARIES		
Sana Logistics (Private) Limited		
Transactions during the year		
Rental income	**36,000,000**	36,000,000
Rent received	**14,863,167**	52,725,529
Reimbursement of operation and maintenance expenses	**870,519**	119,966
Balances as at the year end		
Rent receivable	**35,863,168**	14,863,167
Receivable in respect of operation and maintenance expenses.	**4,715,825**	870,519
Sana Distributors (Private) Limited		
Transactions during the year		
Rental income	**1,216,500**	-
Balances as at the year end		
Rent receivable	**1,216,500**	-
Receivable in respect of operation and maintenance expenses.	**295,729**	-

KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS	2021	2020
	Rupees	
Mohammad Younus Nawab (Chairman)		
Transactions during the year		
Loan obtained during the year	-	7,000,000
Loan repaid during the year	**2,000,000**	5,600,000
Balances as at the year end		
Loan payable as of the reporting date	-	2,000,000
Mohammad Irfan Nawab (Chief Executive officer)		
Transactions during the year		
Loan obtained during the year	-	5,825,946
Loan repaid during the year	**200,000**	5,325,946
Balances as at the year end		
Loan payable as of the reporting date	**4,660,000**	4,860,000

	2021	2020
	Rupees	
Ibrahim Younus (Director)		
Transactions during the year		
Loan obtained during the year	**3,250,000**	1,007,813
Loan repaid during the year	**4,300,000**	507,813
Balances as at the year end		
Loan payable as of the reporting date	-	1,050,000
Ismail Younus (Director)		
Transactions during the year		
Loan obtained during the year	-	4,857,813
Loan repaid during the year	-	4,857,813
Balances as at the year end		
Loan payable as of the reporting date	-	-
Muhammad Faizanullah (Director)		
Transactions during the year		
Loan obtained during the year	-	2,107,813
Loan repaid during the year	-	2,107,813
Balances as at the year end		
Loan payable as of the reporting date	**500,000**	500,000
Sabiha Younus (Spouse of Chairman)		
Transactions during the year		
Loan obtained during the year	-	12,312,500
Loan repaid during the year	**3,250,000**	20,812,500
Rent paid during the year	**2,978,075**	2,298,250
Balances as at the year end		
Rent payable as of the reporting date	-	214,250
Loan payable as of the reporting date	-	3,250,000
Afshan Irfan (Spouse of Chief Executive)		
Transactions during the year		
Loan obtained during the year	**46,000,000**	5,150,000
Loan repaid during the year	**48,250,000**	1,750,000
Rent paid during the year	**2,978,075**	2,298,250
Balances as at the year end		
Rent payable as of the reporting date	-	214,250
Loan payable as of the reporting date	**2,000,000**	4,250,000

43 SEGMENT INFORMATION

43.1 These unconsolidated financial statements have been prepared on the basis of single reportable segment i.e. sale and manufacturing of cement. The entity-wide disclosures required by IFRS 8 'Operating Segments' are given below:

(a) Revenue from sale of yarn represents 98.72% % (2020: 98%) of the total revenue of the Company.

(b) 100% (2020:100%) of the gross sales of the Company were made to customers based in Pakistan.

(c) As at June 30, 2021 and June 30, 2020 all non-current assets of the Company were located in Pakistan.

(d) Revenue earned from major customers having sales of more than 10% of total sales amounted to Rs. 650.724 million (2020: Rs. 305.57 million).

44 GENERAL

44.1 Number of employees

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2021	2020
	Number	
Total number of employees as at June 30	**215**	129
Average number of employees during the year	**212**	171

44.2 Reclassification of corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made in these unconsolidated financial statements.

Reclassified from component	**Reclassified to component**	**Amount (Rupees)**
Advance against LC (Loans and advances)	Advance to suppliers (Loans and advances)	164,444
Other receivables (Others)	Tax refunds due from government	1,602,307
Cost of sales (Other Manufacturing expenses)	Cost of sales (Repairs and maintenance)	1,051,705
Cost of sales (Other Manufacturing expenses)	Cost of sales (Vehicle repairs and maintenance)	3,989,641
Cost of sales (Other Manufacturing expenses)	Cost of sales (Loading and unloading expenses)	3,255,688
Cost of sales (Other Manufacturing expenses)	Cost of sales (Entertainment expenses)	814,043
Cost of sales (Other Manufacturing expenses)	Cost of sales (Water expenses)	2,925,000

44.3 Events after the reporting date

The Board of Directors has proposed a final cash dividend of Rs.1.5 (2020:Nil) per share and bonus shares in the proportion of 1 share for every 10 shares held (i.e 10%) at its meeting held on **October 05, 2021** for the approval of members at the annual general meeting. These unconsolidated financial statements do not reflect the said appropriation.

44.4 Date of authorization for issue of these financial assets

These unconsolidated financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on **October 05, 2021.**

44.5 Level of rounding

Figures in these unconsolidated financial statements have been rounded off to the nearest rupee.

Chief Executive Officer	**Director**	**Chief Financial Officer**

Russell Bedford
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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of Sana Industries Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of **Sana Industries Limited** and its **subsidiaries** ('the Group'), which comprise the consolidated statement of financial position as at **June 30, 2021**, the consolidated statement of profit or loss , the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at **June 30, 2021** and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our audit reports thereon.

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

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

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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

Cont'd... P/3

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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Waseem**.

Rahman

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: 05 OCT 2021

Sana Industries Limited

Consolidated Statement of Financial Position

As at June 30, 2021

	Note	2021	2020
ASSETS		Rupees	
NON- CURRENT ASSETS			
Property, plant and equipment	4	**507,994,328**	565,900,908
Right-of-use assets	5	**61,089,070**	79,597,185
Long term deposits and prepayments	6	**2,756,051**	2,756,051
Deferred tax asset - net		**27,299,528**	4,228,063
		599,138,977	652,482,207
CURRENT ASSETS			
Stock-in-trade	7	**286,554,036**	201,493,653
Stores and spares		**6,697,215**	6,828,622
Trade debts	9	**639,494,065**	339,567,837
Loans and advances	10	**36,883,156**	41,820,762
Trade deposits and short term prepayments	11	**2,811,491**	2,159,357
Other receivables	12	**16,783,402**	2,112,791
Short term investments	8	**26,722,837**	1,705,555
Tax refunds due from government		**126,242,288**	146,398,709
Cash and bank balances	13	**130,132,866**	61,711,634
		1,272,321,356	803,798,920
TOTAL ASSETS		**1,871,460,333**	**1,456,281,127**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	14	**200,000,000**	100,000,000
Issued, subscribed and paid-up capital	14	**110,000,000**	85,937,500
Capital reserve:			
Share premium		**96,250,000**	-
Revenue reserves			
General reserves		**132,500,000**	132,500,000
Unappropriated profit		**185,452,450**	163,594,422
		317,952,450	296,094,422
Equity attributable to the shareholders of Holding Company		**524,202,450**	382,031,922
Non controlling interest		**45,372,567**	39,362,086
Total equity		**569,575,017**	421,394,008
LIABILITIES			
NON - CURRENT LIABILITIES			
Lease liability	15	**53,339,874**	77,870,831
Long term financing	16	**51,742,922**	120,640,429
Deferred liabilities	17	**105,791,292**	37,412,009
		210,874,088	235,923,269
CURRENT LIABILITIES			
Short term borrowings	18	**585,740,510**	412,210,590
Trade and other payables	19	**297,961,691**	222,741,268
Accrued markup	20	**9,967,323**	24,970,742
Loans from directors and associates	21	**49,256,135**	63,345,000
Unclaimed dividend		**1,877,677**	1,890,010
Current maturity of lease liability	15	**24,925,670**	12,268,197
Current maturity of deferred government grant	17	**3,291,953**	3,590,925
Current maturity of long term financing	22	**117,990,269**	57,947,118
		1,091,011,228	798,963,850
CONTINGENCIES AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		**1,871,460,333**	1,456,281,127

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Sana Industries Limited

Consolidated Statement of Profit or Loss

For the year ended June 30, 2021

	Note	2021	2020
		Rupees	
Gross Revenue	24	**3,207,685,165**	2,069,576,517
Less: Sales taxes		**(490,288,806)**	(294,402,249)
Net Revenue		**2,717,396,359**	1,775,174,268
Cost of sales and services	25	**(2,369,495,394)**	(1,598,840,678)
Gross profit		**347,900,965**	176,333,590
Administrative expenses	26	**(106,816,558)**	(68,886,812)
Distribution expenses	27	**(28,363,523)**	(21,687,392)
Other operating expense	28	**(14,053,449)**	(250,000)
Other income	29	**21,553,921**	4,698,651
		(127,679,609)	(86,125,553)
Operating profit		**220,221,356**	90,208,037
Finance costs	30	**(79,488,922)**	(96,302,160)
Profit / (loss) before taxation		**140,732,434**	(6,094,123)
Taxation	31	**(63,366,727)**	9,059,636
Profit after taxation		**77,365,707**	2,965,513
Attributable to:			
- Shareholders of the Holding Company		**71,355,226**	(6,475,188)
- Non - controlling interest		**6,010,481**	9,440,701
		77,365,707	2,965,513
			(Restated)
Earnings / (loss) per share - basic and diluted	32	**7.66**	(0.74)

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Executive Officer	**Director**	**Chief Financial Officer**

Sana Industries Limited

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2021

	2021	2020
	——Rupees——	
Profit after taxation	**77,365,707**	2,965,513
Other Comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Actuarial loss on remeasurement of defined benefit obligation	**4,046,139**	(3,712,963)
Deferred tax on above	**(1,173,380)**	1,076,759
	2,872,759	(2,636,204)
Total comprehensive income for the year	**80,238,466**	329,309
Attributable to:		
- Shareholders of the Holding Company	**74,227,985**	(9,111,392)
- Non - controlling interest	**6,010,481**	9,440,701
	80,238,466	329,309

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Executive Officer	**Director**	**Chief Financial Officer**

Sana Industries Limited

Consolidated Statement of Changes in Equity

For the year ended June 30, 2021

	Issued, subscribed and paid-up capital	Capital reserve	Revenue Reserves		Total reserves	Total equity attributable to the shareholders of Holding Company	Non - controlling interest
		Share Premium	General reserves	Un-appropriated profit			
				Rupees			
Balance as at June 30, 2019	85,937,500	-	132,500,000	194,190,189	326,690,189	412,627,689	29,921,385
Total comprehensive loss for the year ended year ended June 30, 2020							
- (Loss) / profit after tax	-	-	-	(6,475,188)	(6,475,188)	(6,475,188)	9,440,701
- Other comprehensive loss	-	-	-	(2,636,204)	(2,636,204)	(2,636,204)	-
	-		-	(9,111,392)	(9,111,392)	(9,111,392)	9,440,701
Transaction with owners							
Cash dividend @ Rs. 2.5/- per ordinary share for the year ended June 30, 2018	-	-	-	(21,484,375)	(21,484,375)	(21,484,375)	-
Balance as at 30 June, 2020	85,937,500	-	132,500,000	163,594,422	296,094,422	382,031,922	39,362,086
Recognition of provision for Gas Infrastructure Development Cess (GIDC) - (Refer note)	**-**	**-**	**-**	**(63,915,582)**	**(63,915,582)**	**(63,915,582)**	**-**
Effect of deferred tax on GID cess *(Refer note 9)*	**-**	**-**	**-**	**20,139,375**	**20,139,375**	**20,139,375**	**-**
	-	**-**	**-**	**(43,776,207)**	**(43,776,207)**	**(43,776,207)**	**-**
Total comprehensive income for the year ended year ended June 30, 2021							
- 'Profit after taxation	**-**	**-**	**-**	**71,355,226**	**71,355,226**	**71,355,226**	**6,010,481**
- Other comprehensive income	**-**	**-**	**-**	**2,872,759**	**2,872,759**	**2,872,759**	**-**
				74,227,985	**74,227,985**	**74,227,985**	**6,010,481**
Transaction with owners							
Right shares issued during the year *(Refer note _____)*	**24,062,500**	**96,250,000**	**-**	**-**	**96,250,000**	**120,312,500**	**-**
Interim cash dividend @ Re. 1/- per ordinary share for the quarter ended September 30, 2021	**-**	**-**	**-**	**(8,593,750)**	**(8,593,750)**	**(8,593,750)**	**-**
	24,062,500	**96,250,000**	**-**	**(8,593,750)**	**87,656,250**	**111,718,750**	**-**
Balance as at 30 June, 2021	**110,000,000**	**96,250,000**	**132,500,000**	**185,452,450**	**414,202,450**	**524,202,450**	**45,372,567**

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Sana Industries Limited

Consolidated Statement of Cashflows

For the year ended June 30, 2021

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		——— Rupees ———	
Profit / (loss) before taxation		**140,732,434**	(6,094,123)
Adjustments for:			
- Depreciation on operating fixed assets	4.1.1	**97,185,565**	95,178,805
- Depreciation on right-of-use assets	5	**18,508,115**	18,508,115
- Provision for staff retirement benefits	17.3.3	**9,632,701**	9,688,602
- Provision for Workers' Profit Participation Fund	28	**2,799,348**	-
- Provision for Workers' Welfare Fund	28	**7,366,706**	-
- Unrealized loss on remeasurement of short term investments	28	**37,395**	-
- Increase in provision for expected credit losses	28	**3,850,000**	250,000
- Gain on sale of operating fixed assets	29	**(7,732,213)**	(3,844,005)
- Amortization of deferred government grant	29	**(5,433,726)**	-
- Dividend income	29	**(64,326)**	-
- Profit on bank deposits	29	**(1,502,725)**	(854,646)
- Gain on remeasurement of long term liability	29	**(5,641,081)**	-
- Finance costs	30	**79,488,922**	96,302,160
- Capital work-in-progress written off		**-**	499,300
- Provision for gas tariff difference		**4,535,033**	-
		203,029,714	215,728,331
Cash generated from operating activities before working capital changes		**343,762,148**	209,634,208
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
- Stock in trade		**(85,060,383)**	12,648,872
- Stores and spares		**131,407**	(6,828,622)
- Trade debts		**(303,776,228)**	75,713,468
- Loan and advances		**4,937,606**	(17,531,636)
- Trade deposits and short term prepayments		**(652,134)**	(668,777)
- Other receivables		**(14,670,611)**	(46,903)
Sales tax refundable		**(5,791,884)**	9,549,902
Increase in current liabilities			
- Trade and other payables		**63,758,832**	(7,753,620)
		(341,123,395)	65,082,684
Cash generated from operations		**2,638,753**	274,716,892
- Income tax refund received during the year		**17,281,453**	-
- Income tax paid		**(38,847,971)**	(47,250,310)
- Contribution to staff retirement benefits fund		**(3,200,000)**	-
- Compensated absences paid		**-**	(1,113,881)
- Payment of Workers' Welfare Fund		**-**	(1,711,547)
- Payment of Workers' Profit Participation Fund		**(3,239,496)**	(6,018,741)
- Finance cost paid		**(65,274,190)**	(79,569,134)
- Long term deposits refunded		**-**	1,945,000
Net cash generated from operating activities		**(90,641,451)**	140,998,279
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisition of property, plant and equipment		**(45,663,142)**	(44,206,296)
- Short term investment in units of mutual funds		**(25,054,678)**	-
- Dividend received		**64,326**	
- Profit received		**1,502,725**	842,018
- Proceeds from disposal of operating fixed assets		**14,116,370**	6,165,000
Net cash used in investing activities		**(55,034,399)**	(37,199,278)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Loan received under Diminishing Musharaka facility		**-**	-
- Principal repaid under Diminishing Musharaka facility		**(52,721,676)**	(28,380,419)
- Loan received under SBP Refinance Scheme for Payment of Wages		**52,169,318**	58,001,743
- Principal repaid under SBP Refinance Scheme for Payment of Wages		**(27,542,766)**	-
- Repayment under long term musharika - net		**-**	(40,485,373)
- Loan (repaid)/ borrowed directors and associates		**(14,088,865)**	(15,840,000)
- Proceeds from Islamic Auto Finance		**-**	3,129,773
- Principal repayment under Islamic Auto Finance		**(1,288,504)**	-
- Repayment of lease liability (principal portion)		**(11,873,484)**	(7,966,272)
- Principal repayment of long term liability		**(15,793,278)**	(19,815,472)
- Short term borrowings - net		**173,529,920**	-
- Proceeds from issue of right shares		**120,312,500**	-
- Dividend paid		**(8,606,083)**	(21,393,244)
Net cash used in financing activities		**214,097,082**	(72,749,264)
Net increase / (decrease) in cash and cash equivalents		**68,421,232**	31,049,737
Cash and cash equivalents at the beginning of the year		**61,711,634**	30,661,897
Cash and cash equivalents at the end of the year	13	**130,132,866**	61,711,634

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

1 STATUS AND NATURE OF BUSINESS

1.1 These financial statements represent the consolidated financial statements of the Group which comprise of M/s. Sana Industries Limited ('the Holding Company'), M/s. Sana Logistics (Private) Limited and M/s. Sana Distributors (Private) Limited ('the Subsidiary Companies'). As of June 30, 2021, the Holding Company held 70% (2020: 70%) ordinary shares of Sana Logistics (Private) Limited and 100% ordinary shares of Sana Distributors (Private) Limited.

1.2 The Holding Company is a public listed company incorporated in Pakistan on June 05, 1985 under the Companies Ordinance, 1984 (now repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The ordinary shares of the Holding Company are listed on Pakistan Stock Exchange Limited (PSX). The Holding Company is primarily engaged in the manufacturing and sale of man-made blended yarn.

The address of Holding Company's business units, including plant, are as under:

Head office: The registered office is situated at 33-D-2, Block 6, P.E.C.H.S., Karachi, measuring 500 square yard.

Mill: The mill is located at Hub trading estate, situated at Tehsil Hub, District Lasbela, Balochistan, , measuring 85,703 square meters.

Warehouse: The Company's warehouse is located at SF-96, S.I.T.E, Karachi, measuring 11,250 square feet.

1.3 The Subsidiary Company, M/s. Sana Logistics (Private) Limited is a private limited company incorporated in Pakistan on August 18, 2015 under the repealed Companies Ordinance, 1984 (now repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The principal activity of the Subsidiary Company is to provide warehousing services to its customers, who may have specialised requirements with respect to storage temperatures (Cold and Ambient / Dry), environment, handling of goods while adhering to all the best practices and complying to modern day warehousing management techniques.

The address of the Subsidiary Company's business units, including plant, are as under:

Registered office: The registered office situated at 33-D-2, Block 6, P.E.C.H.S., Shahra-e- Faisal, Karachi, measuring 500 square yard.

Storage Unit: The Subsidiary Company has three storage facilities situated as under:

- Survey no. 54 Deh Gondpass, Tapo Gabapat, Kemari Town, Karachi, measuring 4.28 acres.
- Land bearing No. B-186, located at H.I.T.E, situated at Tehsil Hub, District Lasbela, Balochistan, measuring 12,500 square feet.
- Survey no. 53 and 55 Deh Gondpass, Tapo Gabapat, Kemari Town, Karachi, measuring 57,200

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement of items in these consolidated financial statements.

These consolidated financial statements have been prepared under the historical cost convention, except:

- Employee retirement benefits which is measured at the fair value of the defined benefit obligation, and

- Lease liability and the related right-of-use asset which are initially measured at the present value of the lease payments that are not paid at the commencement date.

2.3 Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of consolidated financial statements are in conformity with accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Group's financial statements or where judgments were exercised in application of accounting policy are as follows:

	Note
- Useful lives, residual values and depreciation method of property, plant and equipment	
- Provision for impairment of inventories	
- Provision for expected credit losses	
- Measurement of defined benefit obligation	**#REF!**
- Current income tax expense, provision for prior year tax and recognition of deferred tax asset	**#REF!**
- Estimation of provisions	**0.00**
- Revenue from contracts with customers	**0.00**
- Impairment loss of non-financial assets other than inventories	**0.00**

2.5 New accounting pronouncements

2.5.1 *Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2021.*

During the year, certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Group. However, since such updates were not considered to be relevant to these consolidated financial statements, the same have not been reported.

2.5.2 *New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective*

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 01,2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. The application of the amendment is not likely to have an impact on the Consolidated financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

  The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

  Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

  a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b. any reduction in lease payments affects only payments originally due on or before June 30, 2020 ; and

c. there is no substantive change to the other terms and conditions of the lease.

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the consolidated financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the consolidated financial statements.

- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the consolidated financial statements.

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity’s right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management is currently in the process of assessing the impacts of these amendments to these consolidated financial statements.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;

b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

The management is currently in the process of assessing the impacts of above amendments to these consolidated financial statements.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  - The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the consolidated financial statements.

  - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the consolidated financial statements.

  - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

  - The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

    - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique

The above amendments are not likely to affect the consolidated financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property, plant and equipment

Operating assets- owned

Items of property, plant and equipment are stated at cost amount less accumulated depreciation and impairment losses except for leasehold land, SF/96 premises which are stated at cost. Cost include expenditures that are directly attributable to the acquisition of an asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to the statement of profit or loss applying the straight line method at the rates specified in note 6.1. Depreciation is charged when the asset is available for use till the time the asset is disposed off.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Capital work in progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specified assets as and when assets are available for use.

3.2 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A - Leases other than short-term leases and leases of low-value assets

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses an incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

B - Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases where the nature of the underlying asset is such that, when new, the asset is typically not of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.3 Stores and spares

These are valued under the moving average cost method (less impairment loss if any) other than stores and spares in transit which are valued at cost comprising invoice value plus other charges paid thereon less impairment loss if any.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding their future usability.

3.4 Stock-in-trade

Basis of valuation

All items of stock-in-trade are valued at the lower of cost and their net realizable value as of the reporting date.

Determination of cost

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The **costs of purchase** of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts and other similar items are deducted in determining the costs of purchase.

The **costs of conversion** of inventories include costs directly related to the quantity of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal operating capacity of the production facilities (which is the production expected to be achieved on average over a number of days under normal circumstances, taking into account the loss of capacity resulting from planned maintenance).

The cost of the items consumed or sold and those held in stock at the reporting date is determined as follows:

Raw materials	at weighted average basis.
Packing materials	On FIFO basis
Stock-in-transit	at invoice price plus other charges paid thereon.
Work-in-process and Finished goods	Weighted average cost comprising of direct cost of raw material, labour and other manufacturing overheads.
Waste materials	at net realizable value.

3.5 Trade debts

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized when the goods are delivered to customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3.6 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and balances held with banks.

3.7 Financial assets

Initial recognition, classification and measurement

The Group recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Group classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized costs:
(b) fair value through other comprehensive income (FVOCI); and
(c) fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

(i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or

(ii) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Group to at initial

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in statement of profit or loss.

3.8 ***Impairment***

The Group recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts, the Group applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Group applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Group recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

3.9 ***De-recognition***

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.10 **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.11 **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are off-set and the net amount is reported in the statement of consolidated financial position if the Group has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.12 **Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3.13 Employee benefits

Compensated absences

The Group has the policy of annual casual and sick leaves to its employees which are not carried forward to the next year. Non-accumulating compensated absences are recognized as expense in the period in which they occur.

Staff retirement benefits - Defined benefit plan

The Holding Company operates an unfunded gratuity scheme covering all permanent employees.

A defined benefit plan is a post-employment benefit plan under which an entity regularly pays contributions into a separate fund but will continue to have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the entity.

A defined benefit plan is a post-employment benefit plan under which an entity regularly pays contributions into a separate fund but will continue to have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the entity.

The Holding Company obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by a qualified actuary using the Projected Unit Credit Method.

Remeasurements of the defined benefit liability (i.e. the actuarial gains or losses) are recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate to the defined benefit liability at the beginning of the annual reporting period, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.14 Taxation

Income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.15 Provisions and contingent liabilities

Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.16 Revenue

Revenue from sale of goods

Revenue from sales of goods is recognized when the customer obtains control of the goods being when the goods are delivered to the customer and there remains no other unfulfilled obligation to be satisfied by the Group. 'Delivery occurs when the goods have been dispatched and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group does not expect to have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue from services

Revenue from services is recognized when services are rendered to the customer and there remains no other unfulfilled obligation to be satisfied by the Group.

3.17 Other income

Interest income

- Returns on saving accounts and investments at amortised cost are recognised using effective interest rate method.

3.18 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss.

3.19 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the Group that are outstanding during the period. However, the Group excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that the Group capitalises during a period does not exceed the amount of borrowing costs it incurs during that period.

The Group begins capitalising borrowing costs as part of the cost of a qualifying asset on the 'commencement date' which is the date when the Group first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The Group suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Group ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.20 Dividend distribution

Dividend distribution is recognised as a liability in the period in which the dividends are approved by the shareholders.

	Note	**2021**	2020
		Rupees	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	*4.1*	**504,719,654**	563,346,992
Capital work in progress	*4.2*	**3,274,674**	2,553,916
		507,994,328	565,900,908

4.1 Operating fixed assets

	Leasehold land	SF/96 Premises (Tenancy Rights)	Building on leasehold land	Electrification - Factory Building	Office Premises SF/96	Plant and machinery	Electrical & Handling equipments	Furniture, fixtures and office equipments	Lab Equipments	Vehicles	Computers & software	Plastic Crates	Total
As at June 30, 2019													
Cost	12,095,494	5,000,000	216,465,963	33,427,697	12,819,637	873,791,786	119,644,254	13,664,242	311,295	37,242,827	3,319,908	193,425	1,327,976,528
Accumulated depreciation	-	-	(127,395,770)	(14,610,753)	(10,143,260)	(487,511,141)	(29,968,639)	(7,359,296)	(311,285)	(29,138,633)	(2,149,915)	(193,424)	(708,782,116)
Net book value	12,095,494	5,000,000	89,070,193	18,816,944	2,676,377	386,280,645	89,675,615	6,304,946	10	8,104,194	1,169,993	1	619,194,412
Year ended June 30, 2020													
Opening net book value	12,095,494	5,000,000	89,070,193	18,816,944	2,676,377	386,280,645	89,675,615	6,304,946	10	8,104,194	1,169,993	1	619,194,412
Additions / transfers during the year	-	-	1,090,667	550,000	-	32,678,267	1,601,599	416,200	-	4,907,000	408,647	-	41,652,380
Disposals / transfers													
Cost	-	-	-	-	-	-	(1,853,000)	-	-	(5,296,332)	-	-	(7,149,332)
Accumulated depreciation	-	-	-	-	-	-	386,042	-	-	4,442,295	-	-	4,828,337
Net book value	-	-	-	-	-	-	(1,466,958)	-	-	(854,037)	-	-	(2,320,995)
Depreciation for the year	-		(15,520,507)	(2,238,016)	(997,604)	(56,759,622)	(14,002,197)	(1,008,545)		(4,248,131)	(404,183)		(95,178,805)
Closing net book value	12,095,494	5,000,000	74,640,353	17,128,928	1,678,773	362,199,290	75,808,059	5,712,601	10	7,909,026	1,174,457	1	563,346,992
As at June 30, 2020													
Cost	12,095,494	5,000,000	217,556,630	33,977,697	12,819,637	906,470,053	119,392,853	14,080,442	311,295	36,853,495	3,728,555	193,425	1,362,479,576
Accumulated depreciation	-	-	(142,916,277)	(16,848,769)	(11,140,864)	(544,270,763)	(43,584,794)	(8,367,841)	(311,285)	(28,944,469)	(2,554,098)	(193,424)	(799,132,584)
Net book value	12,095,494	5,000,000	74,640,353	17,128,928	1,678,773	362,199,290	75,808,059	5,712,601	10	7,909,026	1,174,457	1	563,346,992
Year ended June 30, 2021													
Opening net book value	**12,095,494**	**5,000,000**	**74,640,353**	**17,128,928**	**1,678,773**	**362,199,290**	**75,808,059**	**5,712,601**	**10**	**7,909,026**	**1,174,457**	**1**	**563,346,992**
Additions	**-**	**-**	**1,261,200**	**1,488,905**	**-**	**15,020,763**	**3,479,909**	**1,415,097**	**-**	**20,415,453**	**1,861,057**	**-**	**44,942,384**
Disposals													
Cost	**-**	**-**	**-**	**-**	**-**	**(74,926,543)**	**-**	**-**	**-**	**(7,759,313)**	**-**	**-**	**(82,685,856)**
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**70,956,945**	**-**	**-**	**-**	**5,344,754**	**-**	**-**	**76,301,699**
Net book value	**-**	**-**	**-**	**-**	**-**	**(3,969,598)**	**-**	**-**	**-**	**(2,414,559)**	**-**	**-**	**(6,384,157)**
Depreciation for the year	**-**	**-**	**(15,325,837)**	**(2,612,577)**	**(981,376)**	**(49,094,835)**	**(21,934,826)**	**(1,109,821)**	**-**	**(5,586,045)**	**(540,248)**	**-**	**(97,185,565)**
Closing net book value	**12,095,494**	**5,000,000**	**60,575,716**	**16,005,256**	**697,397**	**324,155,620**	**57,353,142**	**6,017,877**	**10**	**20,323,875**	**2,495,266**	**1**	**504,719,654**
As at June 30, 2021													
Cost	**12,095,494**	**5,000,000**	**218,817,830**	**35,466,602**	**12,819,637**	**846,564,273**	**122,872,762**	**15,495,539**	**311,295**	**49,509,635**	**5,589,612**	**193,425**	**1,324,736,104**
Accumulated depreciation	**-**	**-**	**(158,242,114)**	**(19,461,346)**	**(12,122,240)**	**(522,408,653)**	**(65,519,620)**	**(9,477,662)**	**(311,285)**	**(29,185,760)**	**(3,094,346)**	**(193,424)**	**(820,016,450)**
Net book value	**12,095,494**	**5,000,000**	**60,575,716**	**16,005,256**	**697,397**	**324,155,620**	**57,353,142**	**6,017,877**	**10**	**20,323,875**	**2,495,266**	**1**	**504,719,654**

		Note	2021	2020
			Rupees	
4.1.1	Depreciation for the year has been allocated as under :			
	- Manufacturing and service expense	25	**74,873,101**	74,383,432
	- Fuel and power	25.4	**15,522,158**	15,692,518
	- Administration expenses	26	**6,790,306**	5,102,855
			97,185,565	95,178,805

4.2 The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year.

Paricular Of Assets	Cost	Accumulated Depreciation	Book Value	Sales Proceeds	(Gain)/Loss On Disposal	Particulars Of Purchaser	Relation with Buyer	Mode Of Disposal
	Rupees							
Savio Automatic Cone Winder	11,063,724	(8,559,911)	2,503,813	2,654,867	151,054	Muhammad Irfan	None	Negotation
3 Waukesha Power Enginators-635 Kw	60,811,069	(59,497,871)	1,313,198	3,289,054	1,975,856	Muhammad Irfan	None	Negotation
Honda City (BJT-812)	2,475,300	(82,510)	2,392,790	2,375,000	(17,790)	Kaleemullah	None	Negotation
2021	**74,350,093**	**(68,140,292)**	**6,209,801**	**8,318,921**	**2,109,120**			
2020	-	-	-	-	-			

4.3 Particulars of immovable property (i.e. land and building) in the name of the Group are as follows:

Location	Usage of Immovable Property	Area
33-D-2, Block 6 , P.E.C.H.S, Karachi	Head Office	500 squre yards
SF-96, S/I.T.E, Karachi	Warehouse	11,250 squre feets
Hub Industrial Trading Estate, Balochistan	Mill	85,703 square metres

		Note	2021	2020
			Rupees	
4.2	**Capital work in progress**			
	Opening balance		**2,553,916**	499,300
	Additions during the year		**720,758**	2,553,916
			3,274,674	3,053,216
	Less: written off		**-**	(499,300)
			3,274,674	2,553,916

5 RIGHT - OF - USE ASSETS

	Survey No.53 and 55, Kemari Town, Karachi	33-D-2, Block-6, Shahra-e-Faisal, Karachi	Total
	Rupees		
Opening net book value	**23,665,085**	**55,932,100**	**79,597,185**
Depreciation for the year	**(10,517,815)**	**(7,990,300)**	**(18,508,115)**
Closing net book value	**13,147,270**	**47,941,800**	**61,089,070**
As at June 30, 2021			
Cost	**34,182,900**	**63,922,400**	**98,105,300**
Accumulated depreciation	**(21,035,630)**	**(15,980,600)**	**(37,016,230)**
	13,147,270	**47,941,800**	**61,089,070**
Opening net book value	-	-	-
Effect of initial application of IFRS 16	34,182,900	63,922,400	98,105,300
Depreciation for the year	(10,517,815)	(7,990,300)	(18,508,115)
Closing net book value	23,665,085	55,932,100	79,597,185
As at June 30, 2020			
Cost	34,182,900	63,922,400	98,105,300
Accumulated depreciation	(10,517,815)	(7,990,300)	(18,508,115)
	23,665,085	55,932,100	79,597,185
Depreciation rate (per annum)	**30.77%**	**12.50%**	

5.1 The terms and conditions of the lease contracts entered into for the aforementioned premises are as follows:

Particulars	**Survey No.53 and 55, Kemari Town, Karachi**	**33-D-2, Block-6, Shahra-e-Faisal, Karachi**
Lessor name	Directors and joint owners	Mrs. Sabiha Younus and Mrs. Afshan Irfan
Lease agreement date	25-Sep-17	01-Jul-20
Lease commencement date	01-Oct-17	01-Jul-20
Initial contracted term of the lease	5 years	11 months
Availability of extension option	Yes	Yes
No. of years for which the lease exten	Indefinite	Indefinite
Assessed lease term	39 months	8 years

	Note	**2021**	2020
5.2 Depreciation for the year has been allocated as under :		Rupees	
- Manufacturing and service expense	*25*	**10,517,815**	10,517,815
- Administration expenses	*26*	**7,990,300**	7,990,300
		18,508,115	18,508,115

6 LONG TERM DEPOSITS AND PREPAYMENTS

	2021	2020
Long term security deposits with:		
- Utility companies	**2,603,551**	2,603,551
- Central Depository Company (CDC)	**12,500**	12,500
- Other	**100,000**	100,000
	2,716,051	2,716,051
Long term prepayments	**40,000**	40,000
	2,756,051	2,756,051

		Note	2021	2020
			---- Rupees ----	
7	**STOCK-IN-TRADE**			
	Raw material			
	- In hand		**141,019,643**	68,567,457
	- In transit		**8,686,960**	-
			149,706,603	68,567,457
	Work in process		**13,904,366**	34,610,933
	Finished goods		**116,735,022**	91,199,918
	Waste materials		**1,103,350**	2,820,350
	Packing materials		**5,104,695**	4,294,995
			286,554,036	201,493,653
8	**SHORT TERM INVESTMENT**			
	At amortized cost		**1,705,555**	1,705,555
	At fair value through profit or loss		**25,017,282**	-
			26,722,837	1,705,555
8.1	**At amortized cost**			
	Habib Islamic Investment Certificate	*8.1.1*	**1,705,555**	1,705,555
			1,705,555	1,705,555

8.1.1 This represents an investment made by the Company in Habib Metro Islamic Investment Certificate which carries profit ranging from 4.40% to 8.25% p.a (2020: 4.40% to 8.25% p.a).

		2021	2020
		---- Rupees ----	
8.2	**At fair value through profit or loss**		
	Investment in units of mutual funds	**25,017,277**	-

8.2.1 **Investment in units of mutual funds**

2021	2020		**2021**		2020	
-- (Number of units) --		**Fund name**	**Cost**	**Fair value**	Cost	Fair value
			Rupees			
125,136	-	Faysal Islamic Cash Fund	**12,513,594**	**12,513,594**	-	-
124,342	-	First Habib Islamic Income Fund	**12,541,084**	**12,503,683**	-	-
249,478	-		**25,054,678**	**25,017,277**	-	-

		Note	2021	2020
			—— Rupees ——	
9	**TRADE DEBTS**			
	Receivables against sale of goods- Local			
	- Considered good		**441,291,605**	247,906,234
	- Considered doubtful		**1,100,000**	750,000
			442,391,605	248,656,234
	Receivables against rendering of cold storage services			
	- Considered good		**76,600,373**	91,661,603
	- Considered doubtful		**2,500,000**	-
			79,100,373	91,661,603
	Receivables against distribution of patroleum products			
	- Considered good		**121,602,087**	-
	- Considered doubtful		**1,000,000**	-
			122,602,087	-
			644,094,065	340,317,837
	Less: provision for doubtful debts	*9.1*	**(4,600,000)**	(750,000)
			639,494,065	339,567,837
9.1	**Movement in provision for doubtful debts**			
	Balance at the beginning of the year		**750,000**	500,000
	Further charge recognized during the year		**3,850,000**	250,000
	Balance at the end of the year		**4,600,000**	750,000
10	**LOANS AND ADVANCES**			
	Loans to employees	*10.1*	**5,705,343**	3,899,398
	Advances			
	- to contractors	*10.2*	**120,000**	32,384,754
	- to suppliers	*10.3*	**29,996,892**	3,987,889
	- to staff		**1,060,921**	1,548,721
			31,177,813	37,921,364
			36,883,156	41,820,762

10.1 These represent interest-free loans provided to employees in accordance with the Group's policy. The loans are repayable within one year and are recovered through deduction from salaries. These loans are secured against staff gratuity balances.

10.2 As of June 30, 2020, advances to contractors included an advance provided to a labour contractor, M/s. Al-Hafi & Co. (Private) Limited, amounting to Rs. 31.374 million. This advance was provided to mitigate COVID-19 impact on production labour. During the year, the advance was adjusted in full against receipt of services over 12 months.

10.3 This includes an advance provided to M/s. ICI Pakistan Limited amounting to Rs. 2.062 million (2020: Rs. 5.258 million). The advance is expected to be adjusted within 12 months from the reporting date against subsequent purchase of polyester fibre.

				2021	2020
11	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**	*Note*		Rupees	
	Deposits			**886,408**	828,035
	Prepayments			**1,925,083**	1,331,322
				2,811,491	2,159,357
12	**OTHER RECEIVABLES**				
	Accrued interest on PLS			**-**	12,628
	Others			**16,783,402**	2,100,163
				16,783,402	2,112,791
13	**CASH AND BANK BALANCES**				
	Cash in hand			**2,820,352**	1,662,939
	Cash at bank - Islamic bank				
	- Balance held in current accounts			**36,752,782**	13,359,704
	- Balance held in savings accounts	*13.1*		**57,009,732**	46,688,991
	- Term Deposit Receipt (TDR)	*13.2*		**33,550,000**	-
				127,312,514	60,048,695
				130,132,866	61,711,634

13.1 These carry profit at the average rate ranging between 4.50% to 6.30% (2020: 2.70% to 7.00%) per annum.

13.2 These represents Term Deposit Receipts (TDRs) placed with M/s. Dubai Islamic Bank Limited amounting to Rs. 33.550 million. The deposit carries profit at the rate of 6.25% p.a and is due to mature on September 14, 2021

14 AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2021	2020		**2021**	2020
------ Number of shares ------			**-------------- Rupees --------------**	
		Ordinary shares of Rs. 10/- each		
6,406,250	4,000,000	For Cash	**64,062,500**	40,000,000
4,593,750	4,593,750	As bonus shares	**45,937,500**	45,937,500
11,000,000	8,593,750		**110,000,000**	85,937,500

14.1 There are no agreements among shareholders for voting rights, board selection, rights of first refusal and block voting.

14.2 During the year, the Holding Company at their board meeting held on February 23rd, 2021 passed a resolution to increase its paid up capital to Rs. 110 million. The Holding Company offered right shares to its existing shareholders at a price of Rs. 50 per share (i.e. at a premium of Rs. 40 per share) in a ratio of 28 shares for every 100 shares to its existing shareholders, comprising further issue of 2,406,250 shares. These shares were fully subscribed during the year and ranked pari-passu with other ordinary shares. A share premium amounting to Rs. 96.250 million was recognized in the books of accounts.

		Note	2020	2020
			Rupees	
15	**LEASE LIABILITY**			
	Opening balance		**90,139,028**	-
	Effect of initial application of IFRS		**-**	98,105,300
	Payments made during the year		**(24,098,482)**	(21,686,352)
	Finance charges		**12,224,998**	13,720,080
			78,265,544	90,139,028
	Less: Current portion shown under current liabilities		**(24,925,670)**	(12,268,197)
	Closing balance		**53,339,874**	77,870,831
16	**LONG TERM FINANCING**			
	Long term liability	*16.1*	**-**	13,652,131
	Diminishing musharaka	*16.2*	**31,166,224**	69,972,035
	Islamic Auto Finance	*16.3*	**1,841,269**	2,589,227
	Financing under SBP Refinance Scheme for Payment of Salaries and Wages	*16.4*	**18,735,429**	34,427,036
			51,742,922	120,640,429
16.1	*Long term liability-Secured and considered good*			
	Opening balance		**26,553,247**	42,974,623
	Add: unwinding of interest		**2,096,807**	3,394,096
	Less: repayments made during the year		**(17,890,085)**	(19,815,472)
	Less: Remeasurement of liability to fair value		**(5,641,081)**	-
			5,118,888	26,553,247
	Current maturity shown under current liabilities		**(5,118,888)**	(12,901,116)
			-	13,652,131

19.1.1 In the financial year 2017-18, the Subsidiary Company had purchased certain assets on deferred settlement basis. The Subsidiary Company had recorded those assets at a value equivalent to their cash purchase price in accordance with the requirements of IAS 16 *"Property, Plant and Equipments"* .

		Note	2020	2020
16.2	*Long term Musharaka under shariah arrangement*		Rupees	
	- Habib Metropolitan Bank Limited	*19.2.1*	**56,279,551**	68,695,202
	- Standard Chartered Bank Limited	*19.2.2*	**-**	1,443,896
	- Bank Al-Habib Limited	*19.2.3*	**27,851,846**	66,713,975
			84,131,397	136,853,073
	Less: Current maturity shown under current liabilities		**(52,965,173)**	(48,032,975)
			31,166,224	88,820,098

19.2.1

Date of Disbursement	Nature of loan	Amount Disbursed (Rs.)	Limit (June 30,2021)	Limit (June 30,2020)	Profit Rate (June 30,2021)	Profit Rate (June 30,2020)	Floor (June 30,2021)	Floor (June 30,2020)	Ceiling (June 30,2021)	Ceiling (June 30,2020)	Principal Outstanding as at June 30, 2021	Principal Outstanding as at June 30, 2020	Ending Date	Security
HABIB METROPOLITAN BANK:														
28-Oct-16	Generator Waukesha Model VHP 5904 LTD. (DM-373)	30,716,842	52.200 million	52.252 million	6M KIBOR + 2%	6M KIBOR + 2%	6.0%	7.5%	13%	19%	10,238,950	11,774,791	02-Jan-23	1st Charge registered over specific machinery value Rs. 38.396 million duly insured in Bank's favor covering all risk with premium payment receipt. DM-373.
16-Feb-17	4 Sets Drawframes Rieter (DM-410)	26,073,600			6M KIBOR + 2%	6M KIBOR + 2%	6.0%	7.5%	13%	19%	9,560,320	11,298,560	26-Apr-23	1st Charge registered over specific machinery value Rs. 32.592 million duly insured in Bank's favor covering all risk with premium payment receipt. DM-410
02-May-17	14 Sets Complete Ring Spinning Frames. (DM-411)	55,442,587			6M KIBOR + 2%	6M KIBOR + 2%	6.0%	7.5%	13%	19%	21,252,996	24,949,168	22-May-23	1st Charge registered over specific machinery value Rs. 69.303 million duly insured in Bank's favor covering all risk with premium payment receipt. DM-411.
07-Apr-17	4 Sets Twister Machine China. (DM-420)	8,660,544			6M KIBOR + 2%	6M KIBOR + 2%	6.0%	7.5%	13%	19%	3,464,217	4,041,589	20-Jun-23	1st Charge registered over specific machinery value Rs. 10.826 million duly insured in Bank's favor covering all risk with premium payment receipt. DM-420
29-Sep-20	HMBL DM -814 (Toyota Corolla Atlis)	3,184,000	11.8 Million	-	6M KIBOR + 3%	-	7.0%	-	14%	-	2,388,001	-	29-Sep-23	1) 'Fresh DM Assets for vehicle to be registered in the name of HMB favor duly insured through takaful Company along with contribution receipt and covering all risk and clauses. 2) Personal guarantee of all directors.
08-Dec-20	HMBL DM -820 (Kia Sportage Awd)	4,404,000			6M KIBOR + 3%	-	6.0%	-	13%	-	3,670,002	-	08-Dec-23	
23-Sep-20	HMBL DM -824 (Kia Picanto)	1,655,200			6M KIBOR + 3%	-	6.0%	-	13%	-	1,241,398	-	23-Sep-23	
15-Feb-21	HMBL DM -848 (Toyota Corolla Yaris)	2,196,000			6M KIBOR + 3%	-	6.0%	-	12%	-	1,952,000	-	15-Feb-24	
30-Mar-21	HMBL DM-856 (Toyota Corolla Atlis)	2,740,000			6M KIBOR + 3%	-	6.0%	-	13%	-	2,511,667	-	30-Mar-24	
											56,279,551	52,064,108		

19.2.3

Date of Disbursement	Nature of loan	Amount Disbursed	Limit (June 30,2021)	Limit (June 30,2020)	Profit Rate (June 30,2021)	Profit Rate (June 30,2020)	Floor (June 30,2021)	Floor (June 30,2020)	Ceiling (June 30,2021)	Ceiling (June 30,2020)	Principal Outstanding as at June 30, 2021	Principal Outstanding as at June 30, 2020	Ending Date	Security
Bank Al Habib														
28-Jun-18	For the purchase of equipment from Sana Industries Limited	Rs. 64.903 million		Rs. 70 million		1.75% + 6 Months KIBOR		5.0%		15%		43,269,249	28-Jun-22	- Exclusive charge over DM assets financed by the bank with 20% margin. - Title and ownership of the assets in the joint name of the bank and the customer in proportionate to their customers ratio. - Constructive equitable mortagage charge over Land, Building, Plant and Machinery of Rs. 100 million located at Deh Gondpass, situated at Tapo Gabopat, Kemari Town, Karachi.. - Cross corporate guarantee of Sana Industries Limited covering aggregate exposure. - Personal guarantee of all directors covering aggregate exposure.
18-Oct-18	For local procurement of machineries.	Rs. 2.1 million		Rs. 4 million		1.75% + 6 Months KIBOR		5.0%		15%		1,034,343	18-Oct-21	- Exclusive charge over DM-II assets financed by the bank with the 20% margin. - Title and ownership of the assets in the joint name of the bank and the customer in proportionate to their investment ratio. - Personal guarantee of all directors covering aggregate exposure.
											-	44,303,592		

		2021	2020
16.3	*Islamic Auto Finance*	Rupees	
	Total loan outstanding	**2,535,425**	3,129,773
	Current maturity shown under current liabilities	**(694,156)**	(540,546)
		1,841,269	2,589,227
19.3.1	**Movement of Islamic Auto Finance**		
	Opening balance	**3,129,773**	4,637,178
	Add: Loans obtained during the year	**-**	-
	Less: Repayments made during the year	**(1,288,504)**	(1,507,405)
	Closing balance	**1,841,269**	3,129,773

Date of Disbursement	**Nature of loan**	**Amount Disbursed**	**Profit Rate**	**Principal Outstanding as at June 30, 2021**	Principal Outstanding as at June 30, 2020	**Ending Date**
Dubai Islamic Bank Limited						
Nov, 2020	Auto Financing	Rs. 3.449 million	16.42%	**1,841,269**	3,129,773	Sep, 2024

		Note	2021	2020
16.4	***Financing under SBP Refinance Scheme for Payment of Salaries and Wages***		Rupees	
	Balance at the beginning of the year		**52,354,827**	-
	Loan obtained during the year		**52,169,318**	58,001,743
	Element of government grant recognized as deferred income		**(4,090,600)**	(5,646,916)
			48,078,718	52,354,827
	Rentals paid during the year		**(30,458,431)**	-
	Interest accrued during the year		**7,972,367**	-
			77,947,481	52,354,827
	Current portion shown under current liabilities		**(59,212,052)**	(18,109,791)
			18,735,429	34,245,036

19.4.1.1 In June 2020, the Group obtained a long term financing facility amounting to Rs. 52.169 million from M/s. Habib Metropolitan Bank under the State Bank of Pakistan (SBP's) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns notified vide IH&SMEFD Circular No. 7 of 2020 dated April 22, 2020. The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 3% per annum;
(b) The tenor of the facility is 2.5 years (including 6-month grace period ending on December 31, 2020); and
(c) The loan is to repaid in 8 equal quarterly installments commencing from March 2021 whereas profit on outstanding loans are to be repaid quarterly which were commenced from September 2020.

Since the facility carries an interest rate of 3% per annum, which is well below the market interest rate. (determined as 6- months KIBOR plus 3%). Hence, as per IAS 20 "Accounting for Government Grant and Disclosure of Government Assistance" the facility contained an element of government grant. Accordingly, the Group measured the loan liability at it's fair value amounting to Rs. 48.078 million (June 30, 2020: Rs. 58.001 million) (determined on a present value basis) and recognized the difference between disbursement proceeds from bank and the said fair value, amounting to Rs. 4.090 million (June 30,2020: Rs. 5.464 million) as deferred government grant in the

		Note	2021	2020
17	**DEFERRED LIABILITIES**		Rupees	
	Deferred government grant	*17.1*	**829,839**	1,873,991.00
	Provision for compensated absences	*17.2*	**831,815**	831,315
	Staff retirement benefits - defined benefit plan (gratuity)	*17.3*	**34,683,517**	34,706,703
	Gas infrastruture development cess	*17.4*	**69,446,121**	-
			105,791,292	37,412,009

		2021	2020
17.1	**Deferred government grant**		
	Opening balance	**5,464,916**	-
	Add: Element of government grant recorded during the year	**4,090,602**	5,464,916
	Less: Amortization of government grant during the year	**(5,433,726)**	-
		4,121,792	5,464,916
	Current maturity shown under current liabilities	**(3,291,953)**	(3,590,925)
		829,839	1,873,991
17.2	**Provision for compensated absences**		
	Balance at beginning of the year	**831,315**	1,945,196
	Charge for the year	**-**	-
	Benefits paid during the year	**-**	(1,113,881)
	Balance at end of the year	**831,315**	831,315

20.1.1 With effect from July 01, 2020, the Group changed its policy with respect to employees' leave entitlement and encashment whereby casual and sick leaves allowed to employees shall no longer be carried forward and shall be treated as lapsed if not availed during the year.

17.3 Staff retirement benefits

The Holding Company operates an approved funded gratuity schemes for its permanent employees (the Plan). Actuarial valuation of this Plan is carried out every year. Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Act, 2017, Income Tax Rules, 2002 and the Rules under the trust deeds. Responsibility for governance of the Plan, including investment decisions and contribution schedules, lies with the Board of Trustees of the Plan.

The latest actuarial valuation of the Plan as at June 30, 2021 was carried out by M/s. SIR Consultants using the Projected Unit Credit Method. Details of the Plan as per the actuarial valuation are as follows:

	Note	2021	2020
		Rupees	
Present value of defined benefit obligation	*17.3.1*	**(88,065,412)**	(91,008,675)
Fair value of plan assets	*17.3.2*	**53,381,895**	56,301,972
		(34,683,517)	(34,706,703)

17.3.1 Movement in defined benefit obligation

	2021	2020
Opening defined benefit obligation	**91,008,675**	78,909,493
Current service cost	**6,912,658**	6,641,050
Interest Cost	**6,932,448**	11,123,969
Benefits paid by the fund	**(18,900,938)**	(1,693,108)
Remeasurement loss on obligation	**2,112,569**	(3,972,729)
Closing defined benefit obligation	**88,065,412**	91,008,675

		2021	2020
17.3.2 Movement in the fair value of plan assets	*Note*	Rupees	
Balance at beginning of the year		**56,301,972**	57,604,355
Expected return on plan assets		**4,212,405**	8,087,217
Contribution		**3,200,000**	-
Audit fee		**-**	(10,800)
Benefits paid by the fund		**(18,900,938)**	(1,693,108)
Remeasurement loss on plan assets		**8,568,456**	(7,685,692)
Balance at end of the year		**53,381,895**	56,301,972

17.3.3 Expense recognized in the statement of profit or loss account

	2021	2020
Current service cost	**6,912,658**	6,641,050
Net interest expense	**2,720,043**	3,036,752
Audit fee	**-**	10,800
	9,632,701	9,688,602
Allocation of expense		
- Cost of sales	**3,853,080**	3,933,648
- Administrative expenses	**5,009,005**	5,043,537
- Distribution cost	**770,616**	711,417
	9,632,701	9,688,602

17.3.4 Remeasurement recognised in other comprehensive income

	2021	2020
Remeasurement of the present value of defined benefit obligation		
- Financial assumptions	**(1,829,327)**	(2,380,390)
- Experience adjustments	**3,941,896**	(1,592,339)
	2,112,569	(3,972,729)
Remeasurement of the fair value of plan assets		
- Financial assumptions	**(8,568,456)**	7,624,916
	(6,455,887)	3,652,187

17.3.5 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

	Impact on defined benefit obligation		
2021	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	
Discount rate	**1%**	**83,608,020**	**93,251,364**
Expected rate of salary increase	**1%**	**93,625,756**	**83,190,642**
Mortality age	**1 year**	**88,064,744**	**88,066,079**
Withdrawal rates	**10%**	**88,066,560**	**88,064,263**
2020			
Discount rate	1%	86,446,826	96,278,436
Expected rate of salary increase	1%	96,669,075	86,008,177
Mortality age	1 year	91,008,675	91,008,675
Withdrawal rates	10%	91,008,675	91,008,675

		2021	2020
17.3.6	Principal assumptions used in valuation of gratuity		
	Withdrawal Rates	**Low**	Low
	Mortality rates	**SLIC 2001-2005**	SLIC 2001-2005
	Expected rate of increase in future salary (per annum)	**10.00%**	8.50%
	Discount rate - per annum	**10.00%**	8.50%
	Expected rate of return on plan assets	**10.00%**	8.50%
	Normal retirement age	**60 years**	60 years

			2021	2020
17.3.7	**Major categories / composition of plan assets**	*Note*	Rupees	
	Equity securities and units of mutual funds		**46,766,560**	16,486,468
	Bank balances		**5,419,955**	38,241,593
	Investment Certificate		**1,195,380**	1,195,380
	Profits on advance to members		**-**	370,000
	Profits on PLS accounts		**-**	8,531
			53,381,895	56,301,972

17.4 Provision for Gas Infrastructure Development Cess

During the year, the Honorable Supreme Court of Pakistan has decided the appeal against consumers upholding the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act), through its judgement dated August 13, 2020. The Supreme Court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act in complete sense and the benefits allowed under section 8(2) of the GIDC Act to the industrial sector is also available. Further, payment of due gas infrastructure Development Cess (the Cess) was allowed in 48 installments instead of 24 installments.

On a prudent basis, the Company has recorded the present value of the undisputed Cess amounting to Rs. 94.95 million by discounting the future cashflows (assuming to be commenced from September 2022) using risk adjusted discount rate amounting to Rs. 63.916 million (June 30, 2020: Nil). Further, the unwinding of GIDC during the year amounts to Rs. 5.5 million recorded as finance cost.The remaining disputed amount of Rs. 61.53 million has been shown as a contingent liability.

The Holding Company also filed a civil suit before the Honourable High Court of Sindh on the ground that the Company has not passed the burden of cess. Stay order was granted in the aforesaid suit, which has been operative till the next date of hearing.

		2021	2020
17.4.1	**Gas infrastructure cess liability**	Rupees	
	Opening balance	-	-
	Gas infrastructure cess liability recorded during the year	**63,915,582**	-
	Unwinding of GIDC liability	**5,530,539**	-
	Closing balance	**69,446,121**	-

		Note	2021	2020
			Rupees	
18	**SHORT TERM BORROWINGS**			
	Istisna financing			
	- Habib Metropolitan Bank Limited	*18.1*	**282,582,668**	-
	Murabaha financing			
	- Habib Metropolitan Bank Limited		-	279,289,265
	- Standard Chartered Bank Limited	*18.2*	**123,076,417**	132,921,325
	- Bank Al Habib Limited	*18.3*	**180,081,425**	-
			303,157,842	412,210,590
			585,740,510	412,210,590

18.1 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 300 million (June 30, 2020: Nil) as a sub-limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2020: Nil). The maximum tenor of the Istisna Financing is 180 days.

The arrangement is secured against the following:

- 1st charge registered over land and building of Rs. 340 million and 1st charge over plant and machinery of Rs. 210 million making a total of Rs. 550 million with a 40% margin registered with the SECP duly insured in bank's favour covering all risks with premium payment receipt;
- 1st charge registered over stocks / receivables amounting to Rs. 400 million with a 25% margin duly insured in bank's favour covering all risks and premium payment receipt;
- 1st charge registered over exclusive and specific machinery amounting to Rs. 139.791 million with a 40% margin registered with SECP; and
- Personal guarantee of the directors Mr. Muhammad Younus Nawab, Mr. Muhammad Irfan Nawab, Mr. Muhammad Ibrahim Younus and Mr. Faizullah.

18.2 Short term murabaha has been obtained, under shariah arrangement, for the regular purchase of raw material. The bank has approved a facility of Rs. 134 million (2020: Rs. 134 million). The markup rate on murabah facility is 3-month KIBOR + 1.5% (2020: 3-month KIBOR + 1.5%). The maximum tenor of the murabaha is 150 days.

The arrangement is secured against the following:

- First pari-passu charge over fixed assets (land and building) on plot No. B-183 to B-188, B-197 to B-199, 760, 761, 767, 770 situated at HITE, Hub, Balochistan;
- Pari-passu charge over stocks and receivables of the Company amounting to Rs. 200 million; and
- Personal guarantee of directors, Mr. Irfan Nawab, Mr. Ibrahim Younus and Mr. Younus Nawab amounting to Rs. 174 million.

18.3 Short term murabaha has been obtained, under shariah arrangement, to facilitate the import of raw material and other related items. The bank has approved a facility of Rs. 125 million. The markup rate on murabaha facility is average KIBOR + 1.75% . The maximum tenor of the murabaha is 120 days.

The arrangement is secured against the following:

- Pari-Passu charge over stocks and receivables amounting to Rs. 167 million with a 25% margin;
- Import documents consigned to the order of Bank Al-Habib Limited;
- Equitable mortagage charge over land and building of Rs. 281 million constructed on Plot Survery No. 54 located at Deh Gondpass, situated at Tapo Gabopat, Kemari Town, Karachi; and
- Personal guarantee of the directors, Mr. Muhammad Irfan Nawab, Mr. Ibrahim Younus and Mr. Muhammad Younus Nawab, covering aggregate exposure.

18.4 As at June 30, 2021, the Group had unavailed financing facilities of Rs. 33.19 million (2020: Rs.21.789 million).

19 TRADE AND OTHER PAYABLES	*Note*	**2021**	2020
		Rupees	
Creditors		**114,711,167**	40,445,813
Advance from customer	*19.1*	**24,005,624**	66,516,216
Accrued expenses		**32,507,165**	24,384,794
Gas rate difference	*19.1*	**56,040,620**	51,505,587
Workers' Profits Participation Fund	*19.2*	**17,158,747**	13,031,537
Workers' Welfare Fund		**2,799,348**	-
Sales tax payable		**27,949,541**	7,273,270
Income tax payable		**1,248,097**	457,476
Others		**21,541,382**	19,126,575
		297,961,691	222,741,268

19.1 During the year, the performance obligations underlying the opening contract liability of Rs. 66.516 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 24.005 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

19.2 Workers' profit participation fund	**2021**	2020
	Rupees	
Opening balance	**13,031,537**	18,847,422
Add:		
- Contribution for the year	**7,366,706**	-
- Interest accrued	**-**	202,856
	7,366,706	202,856
Less: Payment during the year	**(3,239,496)**	(6,018,741)
	17,158,747	13,031,537

20 ACCRUED MARKUP		
Short term borrowings	**9,780,308**	23,206,177
Long term financing - Diminishing Musharaka	**187,015**	1,764,565
	9,967,323	24,970,742

		2021	2020
		Rupees	
21	**LOANS FROM DIRECTORS AND ASSOCIATES**		
	From directors of holding company and sponsors :		
	Unsecured		
	Loan from directors'	**4,660,000**	8,410,000
	Loan from sponsors'	**2,000,000**	7,500,000
		6,660,000	15,910,000
	From directors of subsidiary Companies and their spouses :		
	Unsecured		
	Loan from directors'	**24,596,135**	34,435,000
	Loan from spouses of directors	**18,000,000**	13,000,000
		42,596,135	47,435,000
		49,256,135	63,345,000

21.1 This represents short-term interest free borrowings from directors and their spouses and sponsors to meet working capital requirements. The loans are repayable on demand.

		2021	2020
22	**CURRENT MATURITY OF LONG TERM FINANCING**	Rupees	
	Long term liability	**5,118,888**	12,901,116
	Diminishing musharaka	**52,965,173**	26,395,665
	Islamic Auto Finance	**694,156**	540,546
	Financing under SBP Refinance Scheme for Payment of Salaries and Wages	**59,212,052**	18,109,791
		117,990,269	57,947,118

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 Further tax applied on Group's yarn sales at the rate of 1% amounting to Rs. 30,091,271 has been suspended by the Islamabad High Court through W.P. No 416/2018. Group's legal counsel is of the opinion that the matter shall be decided in the Group's favour, previously and during this year the Group has collected and paid whatever further tax was due according to the statutory requirements.

23.1.2 As explained in note 18.4, the Holding Company has not recognized the additional amount of cess in respect of GIDC amounting to Rs. 61.53 million, as notified to the Holding Company through monthly gas bills.

In the year 2020, the Company recognized its obligation payable in 24 installments as industrial user to the extent of undisputed bills of Rs. 435 million, which was increased to Rs. 441 million as at June 30, 2021 based on cess of Rs. 5.96 million billed in July 2020. The remaining disputed amount of Rs. 295.6 million has been shown as a contingent liability.

23.1.3 The Holding Company approached the Lasbella Industrial Estates Development Authority (LIEDA) to charge concessional rate on electricity distributed to the Company as the Company falls under the Zero rated sector. The LIEDA rejected the Holding Company's application claiming that LIEDA is not a distributor Company. The LIEDA itself purchases electricity from K-electric and sell it to the Companies located within the jurisdiction of LIEDA.

The Holding Company filed a Constitutional petition vide C.P no- D-558 of 2020 in the High Court of Sindh for relief.

The Court orders interim relief in favour of the Company and directed the LIEDA to issue bills by excluding the quarterly tariff adjustment and other disputed charges till final decision. Accordingly, on the advice of its legal counsel, the Holding Company had not recognize expense against such overbillings amounting to Rs. 4.33 million.

		Note	2021	2020
23.2	**Commitments**	*Note*	Rupees	
	In respect of:			
	- Irrevocable letter of credit issued for purchase of raw material and plant & equipments.		**358,429,992**	77,243,305
	- Custom duties, sales tax and income taxes on stock in transit.		**5,018,520**	-
	- Revolving letter of guarantee issued by a Habib Metropolitan Bank Limited in favour of SSGC Limited against Gas Bills.		**29,376,305**	29,376,305

24 REVENUE - NET

	2021	2020
Textile		
Local sales	**2,483,854,040**	1,634,518,857
Raw material sales	**21,537,860**	26,719,094
Wastage sales	**10,609,395**	6,226,439
	2,516,001,295	1,667,464,390
Less: Related sales tax	**(381,984,683)**	(245,517,453)
Less: Commission and discounts	**(5,017,211)**	(2,950,347)
	2,128,999,401	1,418,996,590
Less: Commission and discounts	**(53,398,926)**	(2,950,347)
	2,462,602,369	1,664,514,043
Cold storage and related services		
Service rendered income	**310,739,306**	405,062,474
Distribution of Patroleum products		
Revenue - gross	**434,343,490**	-
Less: Trade discounts by Shell Pakistan	**(48,381,715)**	-
	385,961,775	-
Less: Sales returns and discounts	**(100,113,246)**	-
	285,848,529	
Less: Sales tax	**(71,710,864)**	-
	214,137,665	-
	3,207,685,165	2,069,576,517

	Note	2021	2020
		—— Rupees ——	

25 COST OF SALES AND SERVICES

	Note	2021	2020
Raw and packing materials consumed	*25.1*	**1,139,273,520**	908,311,730
Cost of goods purchased	*25.2*	**279,084,940**	-
Manufacturing and services expenses			
Stores and spares consumed	*25.3*	**84,097,856**	35,717,369
Salaries, wages and benefits	*25.5*	**371,157,783**	333,594,134
Fuel and power	*25.4*	**292,230,286**	226,856,653
Services procured		**7,450,741**	329,380
Repairs and maintenance		**29,520,655**	19,587,988
Vehicle repairs and maintenance		**4,372,020**	3,989,641
Insurance		**4,951,950**	3,187,107
Rent, rates and taxes		**524,185**	11,972,012
Depreciation on operating fixed assets		**74,873,101**	74,383,432
Depreciation on right-of-use assets		**10,517,815**	10,517,815
Security		**6,434,237**	7,708,621
Loading and unloading expenses		**4,405,412**	3,255,688
Entertainment expenses	*4.1.1*	**1,189,277**	814,043
Printing and stationary expense	*5.2*	**489,796**	316,212
Transportation and conveyance		**562,360**	1,232,513
Communication expense		**1,404,590**	703,807
Miscellaneous expense		**2,054,978**	11,140,808
Water expenses		**9,068,000**	2,925,000
Other manufacturing overheads		**2,839,616**	2,626,239
		908,144,658	750,858,462
Work-in-process - opening stock		**34,610,933**	42,220,855
Work-in-process - closing stock		**(13,904,366)**	(34,610,933)
		20,706,567	7,609,922
Cost of goods manufactured		**2,347,209,685**	1,666,780,114
Finished goods - opening stock		**91,199,918**	21,400,557
Waste material- opening stock		**2,820,350**	1,920,275
Add: Purchases		**-**	2,760,000
Finished goods - closing stock		**(70,631,209)**	(91,199,918)
Waste material- closing stock		**(1,103,350)**	(2,820,350)
		22,285,709	(67,939,436)
		2,369,495,394	1,598,840,678

25.1 Raw and packing materials consumed

	2021	2020
Opening stock	**72,862,452**	148,600,838
Add: Purchases during the period	**1,212,535,406**	832,573,344
	1,285,397,858	981,174,182
Less : Closing stock	**(146,124,338)**	(72,862,452)
	1,139,273,520	908,311,730

		Note	2021	2020
25.2	**Cost of finished goods sold**	*Note*	Rupees	
	Opening stock		**-**	-
	Goods purchased during the year		**325,188,753**	-
	Goods available for sale		**325,188,753**	-
	Closing stock		**(46,103,813)**	-
	Cost of finished goods sold		**279,084,940**	-
25.3	**Stores and spares consumed**			
	Opening stock		**6,828,622**	-
	Add: Purchases during the period		**83,966,449**	42,545,991
			90,795,071	42,545,991
	Less : Closing stock		**(6,697,215)**	(6,828,622)
			84,097,856	35,717,369
25.4	**Fuel and power**			
	Generation cost			
	Gas expenses		**148,397,838**	119,335,483
	Electricity		**101,380,288**	59,835,254
	Oil and lubricants		**1,271,496**	21,011,257
	Generator operation and maintenance		**24,341,220**	7,512,755
	Repairs and maintenance		**563,277**	2,722,757
	Depreciation on operating fixed assets	*4.1.1*	**15,522,158**	15,692,518
	Insurance		**442,559**	503,659
	Electricity duty		**311,450**	232,970
	Others		**-**	10,000
			292,230,286	226,856,653

25.5 This includes amount of Rs. 3.853 million (2020: Rs. 3.933 million) in respect of staff retirement benefits.

		Note	2021	2020
26	**ADMINISTRATIVE EXPENSES**	*Note*	Rupees	
	Salaries, wages and other benefits	*26.1*	**17,260,247**	12,549,597
	Directors' remuneration	*26.2*	**50,645,734**	26,808,679
	Meeting fee		**285,000**	105,500
	Printing and stationery		**708,207**	442,375
	Legal and professional charges		**9,107,167**	3,863,943
	Fees and subscription		**2,806,051**	2,066,714
	Communication		**22,605**	1,147,391
	Travelling and conveyance		**16,326**	2,627,039
	Repairs and maintenance		**4,316,315**	205,000
	Fuel expenses	*4.1.1*	**33,892**	5,102,855
	Rent, rates and taxes	*5.2*	**-**	7,990,300
	Entertainment expense		**214,690**	333,702
	Depreciation on operating fixed assets		**6,790,306**	1,156,773
	Depreciation on right-of-use assets		**7,990,300**	408,126
	Security expenses		**311,702**	-
	Water, electricity and gas		**1,744,255**	-
	Insurance		**564,224**	-
	Donation		**100,000**	-
	Auditors' remuneration		**1,577,000**	1,130,000
	Miscellaneous		**2,322,537**	2,948,818
			106,816,558	68,886,812

26.1 This includes amount of Rs. 0.964 million (2020: Rs. 0.914 million) in respect of staff retirement benefits.

26.2 This includes amount of Rs. 4.045 million (2020: Rs. 4.129 million) in respect of staff retirement benefits.

26.3 Auditors' remuneration

	2021	2020
	Rupees	
Audit fee (Including consolidation)	**1,270,000**	850,000
Half yearly review fee	**220,000**	200,000
Statutory certifications	**55,000**	50,000
Out of Pocket Expenses	**32,000**	30,000
	1,577,000	1,130,000

27 DISTRIBUTION EXPENSES

	2021	2020
Salaries, wages and benefits	**12,098,572**	11,645,792
Packing and forwarding expenses	**10,537,189**	9,462,944
Communication	**220,981**	208,962
Marketing & advertisement	**3,766,526**	-
Transportation expense	**1,623,005**	-
Sales promotion expenses	**-**	133,119
Miscellaneous expense	**117,250**	236,575
	28,363,523	21,687,392

27.1 This includes an amount of Rs. 0.711 million (2020: Rs. 0.771 million) in respect of staff retirement benefits.

28 OTHER OPERATING EXPENSES

	2021	2020
	Rupees	
Increase in provision for expected credit losses	**3,850,000**	250,000
Workers' welfare fund	**7,366,706**	-
Workers' profit participation fund	**2,799,348**	-
Unrealised loss on re-measurement of investments	**37,395**	
	14,053,449	250,000

29 OTHER INCOME

	2021	2020
Return on deposits - Islamic bank	**1,123,072**	502,044
Profit on Habib Islamic Investment Certificate	**78,540**	133,675
Profit on PLS account	**148,346**	218,927
Profit on term deposit	**152,767**	-
Dividend Income	**64,326**	-
Indemnification income	**20,500**	-
	1,587,551	854,646
Gain on re-measurement of long term liability	**5,641,081**	-
Gain on disposal of fixed assets	**7,732,213**	3,844,005
Amortization of government grant	**5,433,726**	
Others	**1,159,350**	-
	19,966,370	3,844,005
	21,553,921	4,698,651

			2021	2020
30	**FINANCE COSTS**	*Note*	Rupees	
	Markup and interest charges on:			
	- Long term finances		**11,369,035**	16,281,181
	- Short term borrowings		**37,753,850**	61,327,735
	- Markup on lease liability	*15*	**12,224,998**	13,720,080
	- SBP re-financing facilities for payment of salaries & wages	*16.4*	**7,972,369**	92,127
	Unwinding of interest on long term liability		**2,096,807**	3,394,096
	Bank charges		**993,856**	959,670
	Finance charges on WPPF		**-**	202,856
	Documentation charges		**202,020**	121,330
	Unwinding of GIDC liability	*17.4*	**5,530,539**	
	Guarantee commission		**1,176,306**	169,255
	Local letter of credit charges		**169,142**	33,830
			79,488,922	96,302,160

31	**TAXATION**		
	Current		
	- for the year	**42,286,849**	33,481,078
	- for prior year	**5,045,974**	2,254,438
		47,332,823	35,735,516
	Deferred	**16,033,904**	(44,795,152)
		63,366,727	(9,059,636)

31.1 The income tax assessments of the Company have been finalized up to, and including, the tax year 2020. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Company for the purpose of re-assessment.

		2020	2020
32	**EARNINGS PER SHARE - BASIC AND DILUTED**	Rupees	
32.1	**Basic earnings per share**		
	Profit attributed to shareholders of the Holding Company	**71,355,226**	(6,475,188)
		Number	
	Weighted average number of ordinary shares	**9,318,553**	8,758,043
	Earnings / (loss) per share - basic and diluted	**7.66**	(0.74)

32.2 In accordance with the requirement of the International Accounting Standard (IAS) 33 *'Earnings Per Share',* the basic loss per share of the Group for the year ended June 30, 2020 has been retrospectively adjusted for the effect of bonus element contained in the issue of rights shares made during the year. For this purpose, the weighted average number of ordinary shares outstanding immediately before the rights issue has been increased by the bonus adjustment factor of 1.0192 which, in turn, has been determined as the fair value of an ordinary share of the Holding Company as on the date of issuance of the rights offer i.e. March 22, 2021 (amounting to Rs. 54.69 per share) divided by the theoretical ex-rights price per share (determined as Rs. 53.66 per share).

32.3 **Diluted earnings per share**

There is no dilutive effect on the basic earnings per share of the Group, since there are no convertible instruments in issue as at June 30, 2021 and June 30, 2020 which would have any effect on the earnings per share.

33 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

	Chief Executive		Directors		Executives		Total	
	2020	2020	**2020**	2020	**2020**	2020	**2020**	2020
	Rupees							
Basic Salary	**16,136,280**	8,779,680	**14,812,440**	6,415,920	**3,835,080**	3,593,880	**34,783,800**	18,789,480
House rent	**8,552,535**	3,407,040	**5,639,120**	2,489,760	**1,448,240**	1,394,640	**15,639,895**	7,291,440
Retirement benefits	**1,118,241**	2,385,459	**636,799**	1,743,220	**1,002,474**	615,637	**2,757,514**	4,744,316
Utilities	**1,685,880**	917,280	**2,064,439**	670,320	**400,680**	375,480	**4,150,999**	1,963,080
	27,492,936	15,489,459	**23,152,798**	11,319,220	**6,686,474**	5,979,637	**57,332,208**	32,788,316
Number of persons	**1**	1	**1**	1	**3**	3		

33.1 In addition to the above, the chief executive and executive director are also provided with free use of Group maintained cars and residential telephones.

33.2 For the purpose of disclosure those employees are considered as executives whose basic salary exceeds twelve hundred thousand rupees in a financial year.

34 CAPACITY AND PRODUCTION

Textile Segment

	2021	2020
	Number	
Number of spindles installed	**31,488**	31,488
Number of spindles operated	**31,488**	31,488
Installed capacity in Kgs. after conversion into 30 single count	**7,125,734**	7,028,121
Actual production of yarn in Kgs. after conversion into 30 single count	**6,662,976**	5,211,969
Number of shifts worked per day	**3**	3

34.1 Actual production is less than the installed capacity due to gap between market demand and supply.

Cold Storage Segment

	2021	2020
Installed Capacity- Pallets	**22,000**	22,000
Capacity Utilized- Pallets	**12,763**	12,763

34.2 Actual utilization is less than the installed capacity due to permanent shut down of facility and decline in customer demand.

35 FINANCIAL INSTRUMENTS

35.1 Financial risk analysis

The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Group has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and also obtains advance payments against local sales. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Group's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Group's internal credit management purposes, a financial asset is considered as defaulted when it is past due for **90 days** or more.

The Group's writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

The maximum exposure to credit risk at the reporting date is as follows :

	2021	2020
	Rupees	
Long-term deposits	**2,716,051**	2,716,051
Trade debts	**639,494,065**	339,567,837
Short term trade deposits	**886,408**	828,035
Loans to employees	**5,705,343**	3,899,398
Short term investment	**26,722,837**	1,705,555
Other receivables	**16,783,402**	2,112,791
Bank balances	**127,312,514**	60,048,695
	819,620,620	410,878,362

35.1.1 The maximum exposure to credit risk for trade debts is due from local clients.

35.1.2 Loan to executive and employees are secured against gratuity fund balance of these executives and employees.

As of the reporting date, the risk profile of the trade receivables as of the reporting date is as follows:

	2021		2020	
	Gross	**Life time expected credit losses**	Gross	Life time expected credit losses
Not past due	**426,975,366**	**-**	185,537,277	
Past due 1 day - 30 days	**61,681,219**	**-**	30,137,245	
Past due 31 days - 60 days	**71,694,897**	**(1,000,000)**	27,027,743	
Past due 61 days - 90 days	**44,440,985**	**(2,500,000)**	23,256,351	
Past due 91 days - 120 days	**25,215,192**	**-**	25,853,805	(250,000)
Above 120 days	**14,086,406**	**(1,100,000)**	48,505,416	(500,000)
	644,094,065	**(4,600,000)**	340,317,837	(750,000)

The bank balances along with credit ratings are tabulated below:

Bank	Rating agency	Short- term Rating	2021	2020
			----------(Rupees)----------	
Habib Metropolitan Bank Limited	PACRA	A-1+	**17,183,157**	33,571,907
Meezan Bank Limited	PACRA	A-1+	**21,965,628**	6,295,172
Bank Al-Habib Limited	PACRA	A-1+	**11,261,066**	12,086,914
Bank Alfalah Limited	PACRA	A-1+	**3,149,952**	2,261,400
United Bank Limited	JCR-VIS	A-1+	**1,615,949**	150,498
National Bank of Pakistan	PACRA	A-1+	**231,042**	945,736
Habib Bank Limited	PACRA	A-1+	**7,074,039**	2,009,587
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	**6,914,171**	1,914,200
Faysal Bank Limited	PACRA	A-1+	**1,233,342**	385,435
Dubai Islamic Bank Limited	JCR-VIS	A-1+	**55,380,319**	427,846
Al-Baraka Bank Limited	PACRA	A-1	**200,000**	-
J.S Bank Limited	PACRA	A-1+	**1,103,849**	-
			127,312,514	60,048,695

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of adequate funds through committed credit facilities. The Group finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

On the reporting date, the Company had cash and bank balance amounting to Rs. 130.132 million (2020: Rs. 61.711 million) unutilized credit lines Rs. 33.19 million (2020: Rs. 21.789 million) and liquid assets in the form of short term securities amounting to Rs. 26.726 million (2020: Rs. 1.705 million).

The following are the contractual maturities of financial liabilities, including estimated interest payments (except interest payments on short term borrowings):

	June 30, 2021					
	Carrying amount	**Contractual cashflows**	**Less than six months**	**Six to tweleve months**	**One to Five years**	**More than Five years**
Lease liability	**78,265,544**	**(113,074,126)**	**(13,256,955)**	**(13,690,476)**	**(77,017,605)**	**(9,109,090)**
Long term financing	**169,733,191**	**(167,252,290)**	**(56,179,761)**	**(54,982,681)**	**(56,089,848)**	
Short term borrowings	**585,740,510**	**(585,740,510)**	**(585,740,510)**	**-**	**-**	**-**
Trade and other payables	**244,758,429**	**(244,758,429)**	**(244,758,429)**	**-**	**-**	**-**
Loans from directors and associates	**49,256,135**	**(49,256,135)**	**(49,256,135)**	**-**	**-**	**-**
Accrued markup	**9,967,323**	**(9,967,323)**	**(9,967,323)**	**-**	**-**	**-**
	1,137,721,132	**(1,170,048,813)**	**(959,159,113)**	**(68,673,157)**	**(133,107,453)**	**(9,109,090)**

	June 30, 2020					
	Carrying amount	Contractual cashflows	Less than six months	Six to tweleve months	One to Five years	More than Five years
Lease liability	90,139,028	(148,505,108)	(12,051,777)	(12,445,884)	(87,709,225)	(36,298,222)
Long term financing	178,587,547	(205,339,492)	(25,425,781)	(44,152,818)	(135,760,893)	-
Short term murabaha	412,210,590	(440,567,677)	(440,567,677)	-	-	-
Trade and other payables	135,462,769	(135,462,769)	(135,462,769)	-	-	-
Loans from directors and associates	63,345,000	(63,345,000)	(63,345,000)	-	-	-
Accrued markup	24,970,742	(24,970,742)	(24,970,742)	-	-	-

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk.

a) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates and arises mainly where receivables and payables exist due to transactions entered into foreign currencies. Currently, the Group is not exposed to currency risk.

b) *Interest rate risk*

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates.

At the reporting date, the interest rate profile of the Group's significant interest bearing financial instruments was as follows:

	2021	2020	**2021**	2020
	Effective interest rate (%)		**Carrying amounts (Rs.)**	
Financial assets				
Bank deposits - pls account	**4.50% - 6.30%**	4.50% - 6.30%	**57,009,732**	46,688,991
Term deposit receipt	**6.25%**	-	**33,550,000**	-
Short term investment	**4.40% - 8.25%**	4.40% - 8.25%	**1,705,555**	1,705,000
Financial liabilities				
Short term borrowings	**10.04% - 17.60%**	10.04% - 17.60%	**585,740,510**	412,210,590

Sensitivity Analysis

As at reporting date, the Group did not hold any fixed-rate interest bearing financial assets or financial liabilities which are carried at fair value.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit or loss	
	100 bp increase	**100 bp (decrease)**
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial instrument	**4,934,752**	**(4,934,752)**
As at June 30, 2020		
Cash flow sensitivity-Variable rate financial liabilities	3,638,160	(3,638,160)

iii) ***Other price risk***

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as security prices. As of the reporting date, the Group was not exposed to other price risk.

		2021	2020
35.2	**Financial instruments by categories**	**Rupees**	
	Financial assets		
	At amortized cost		
	Long-term deposits	**2,716,051**	2,716,051
	Trade debts	**639,494,065**	339,567,837
	Loans and advances	**5,705,343**	3,899,398
	Short term trade deposits	**886,408**	828,035
	Short term investment	**26,722,837**	1,705,555
	Other receivables	**16,783,402**	2,112,791
	Cash and bank balances	**130,132,866**	61,711,634
		822,440,972	412,541,301

	2021	2020
Financial liabilities	**Rupees**	
At amortized cost		
Lease liability	**78,265,544**	90,139,028
Long term financing	**169,733,191**	178,587,547
Short term borrowings	**585,740,510**	412,210,590
Trade and other payables	**244,758,429**	135,462,769
Loans from directors and associates	**49,256,135**	63,345,000
Accrued markup	**9,967,323**	24,970,742
	1,137,721,132	904,715,676

36 FAIR VALUE OF ASSETS AND LIABILITIES

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. Consequently, differences can arise between carrying values and the fair value estimates.

The Group measures fair value of its assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. As of thereporting date, the Group did not have any other financial instruments that required any valuation technique for their measurement.

The table below analyses assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

June 30, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	Amount in Rupees			
Financial assets mesured at fair value				
Short term investment in units of mutual funds	**25,017,277**	**-**	**-**	**25,017,277**

June 30, 2020	Level 1	Level 2	Level 3	Total
	----Amount in Rupees----			
Financial assets mesured at fair value				
Short term investments	-	-	-	-

36 CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Following is the quantitative analysis of what the Group manages as capital:

	2021	2020
	Rupees	
Borrowings:		
Long term financing	**169,733,191**	178,587,547
Short term borrowings	**585,740,510**	412,210,590
Loans from directors and associates	**49,256,135**	63,345,000
	804,729,836	654,143,137
Shareholders' equity:		
- Issued, subscribed and paid up capital	**110,000,000**	85,937,500
- Unappropriated profit	**317,952,450**	296,094,422
	427,952,450	382,031,922
Total capital managed by the Group	**1,232,682,286**	1,036,175,059

The Group is not subject to any externally imposed capital requirements.

37 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associate, key management personnel of the Group and directors and their close family members and major shareholders of the Group. Transaction with related parties are on arm's length basis. Remuneration and benefits to executives of the Group are in accordance with the terms of the employment. Remuneration of the chief executive, directors and executives is disclosed in note 33 to the consolidated financial statements. Transactions with related parties during the year, other than those disclosed elsewhere in these consolidated financial statements, are as follows:

KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS

Names of related party, relationship with related party	2021	2020
	Rupees	
Mohammad Younus Nawab (Chairman)		
Transactions during the year		
Loan obtained during the year	**5,000,000**	20,300,000
Loan repaid during the year	**9,400,000**	15,135,000
Balances as at the year end		
Loan payable as of the reporting date	**7,000,000**	11,400,000

Mohammad Irfan Nawab (CEO)		
Transactions during the year		
Loan obtained during the year	**2,000,000**	7,425,946
Loan repaid during the year	**200,000**	7,725,946
Balances as at the year end		
Loan payable as of the reporting date	**4,660,000**	9,825,000
Ibrahim Younus (Director)		
Transactions during the year		
Loan obtained during the year	**4,250,000**	11,007,813
Loan repaid during the year	**11,750,000**	6,907,813
Balances as at the year end		
Loan payable as of the reporting date	**4,420,000**	11,920,000
Ismail Younus (Director)		
Transactions during the year		
Loan obtained during the year	**15,200,000**	29,557,813
Loan repaid during the year	**14,000,000**	26,547,813
Balances as at the year end		
Loan payable as of the reporting date	**9,100,000**	7,900,000

	2021	2020
Muhammad Faizanullah (Director)	**Rupees**	
Transactions during the year		
Loan obtained during the year	-	4,907,813
Loan repaid during the year	**1,300,000**	4,232,813
Balances as at the year end		
Loan payable as of the reporting date	**500,000**	1,800,000
Sabiha Younus (Spouse of Chairman / Sponsor)		
Transactions during the year		
Loan obtained during the year	**24,650,000**	46,062,500
Loan repaid during the year	**21,250,000**	79,692,500
Rent paid during the year	**2,978,075**	4,810,750
Balances as at the year end		
Rent payable as of the reporting date	**-**	214,250
Loan payable as of the reporting date	**18,000,000**	14,600,000
Afshan Irfan (Spouse of CEO / Sponsor)		
Transactions during the year		
Loan obtained during the year	**46,000,000**	7,300,000
Loan repaid during the year	**49,900,000**	2,250,000
Rent paid during the year	**2,978,075**	4,810,000
Balances as at the year end		
Rent payable as of the reporting date	**-**	214,250
Loan payable as of the reporting date	**2,000,000**	5,900,000

38 OPERATING SEGMENT

Management has determined the operating segments based on the information that is presented to the chief operation decision-maker of the Group for allocation of resources and assessment of performance. Based on internal management reporting structure, the Group is organised into the following two operating segments:

- Textile - manufacturing and sale of man-made blended yearn
- Cold storage - providing services in respect of cold storage through "compartmentalized cold store project.
- Distribution - providing distribution in respect of patroleum products.

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing performance.

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

Description	**June 30, 2021**			
	Textile	**Cold Storage**	**Distribution**	**Total**
	---(Rupees)-------------------------------------			
Revenue - net	**2,128,999,401**	**274,146,047**	**314,250,910**	**2,717,396,358**
Cost of sales and services	**(1,865,765,571)**	**(239,182,708)**	**(294,313,793)**	**(2,399,262,072)**
Gross profit	**263,233,830**	**34,963,339**	**19,937,117**	**318,134,286**
Administrative expenses	**(69,854,745)**	**(29,729,233)**	**(7,232,580)**	**(106,816,558)**
Selling and distribution costs	**(21,241,469)**	**(2,275,472)**	**(4,846,582)**	**(28,363,523)**
Other operating expenses	**(10,553,454)**	**(2,500,000)**	**(1,000,000)**	**(14,053,454)**
Operating profit	**161,584,162**	**458,634**	**6,857,955**	**168,900,751**
Other income	**13,462,535**	**7,840,503**	**250,888**	**21,553,926**
Finance costs	**(60,473,302)**	**(16,870,750)**	**(2,144,870)**	**(79,488,922)**
	(47,010,767)	**(9,030,247)**	**(1,893,982)**	**(57,934,996)**
Profit / (loss) before taxation	**114,573,395**	**(8,571,613)**	**4,963,973**	**110,965,755**
				-
Taxation	**(42,389,340)**	**(2,428,402)**	**(1,268,216)**	**(46,085,958)**
Profit / (loss) after taxation	**72,184,055**	**(11,000,015)**	**3,695,757**	**64,879,797**
OTHER INFORMATION				
Segment assets	**1,497,478,612**	**373,981,721**	**228,923,977**	**1,871,460,333**
Total assets				**1,871,460,333**
Segment liabilities	**972,524,804**	**272,489,083**		**1,245,013,887**
Total liabilities				**1,245,013,887**
Capital expenditure	**37,937,546**	**6,728,555**		**44,666,101**
Total capital expenditure				**44,666,101**
Depreciation	(66,160,345)			**115,693,680**

Description	June 30, 2020		
	Textile	Cold Storage	Total
	---(Rupees)-------------------------------------		
Turnover	1,418,996,590	356,177,678	1,775,174,268
Cost of sales and services	(1,347,871,634)	(250,969,044)	(1,598,840,678)
Gross profit	71,124,956	105,208,634	176,333,590
Administrative expenses	(59,443,202)	(9,443,510)	(68,886,712)
Selling and distribution costs	(19,506,160)	(2,181,232)	(21,687,392)
Other operating expense	(250,000)	-	(250,000)
	(79,199,362)	(11,624,742)	(90,824,104)
Operating profit / (loss)	(8,074,406)	93,583,892	85,509,486
Other income	2,911,682	1,786,969	4,698,651
Finance costs	(74,798,084)	(21,504,176)	(96,302,260)
	(71,886,402)	(19,717,207)	(91,603,609)
Profit / (loss) before taxation	(79,960,808)	73,866,685	(6,094,123)
Taxation	12,236,905	(3,177,269)	9,059,636
Profit / (loss) after taxation	(67,723,903)	70,689,416	2,965,513

OTHER INFORMATION

Segment assets	1,108,792,312	347,488,815	1,456,281,127
Total assets			1,456,281,127
Segment liabilities	815,132,794	219,754,325	1,034,887,119
Total liabilities			1,034,887,119
Capital expenditure	29,406,083	14,800,213	44,206,296
Unallocated capital expenditure			-
Total capital expenditure			44,206,296
Depreciation			113,686,920

39 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. Major reclassifications of corresponding figures made in these consolidated financial statements are as follows:

Reclassified from component	**Reclassified to component**	**Amount (Rupees)**
Other receivables Others	*Tax refunds due from government* (Shown on face of Statement of Financial Position)	**1,602,307**
Cost of sales (Other Manufacturing expenses)	*Cost of sales* (Repairs and maintenance)	**1,051,705**
Cost of sales (Other Manufacturing expenses)	*Cost of sales* (Loading and unloading expenses)	**3,255,688**
Cost of sales (Other Manufacturing expenses)	*Cost of sales* (Entertainment expenses)	**814,043**
Cost of sales (Other Manufacturing expenses)	*Cost of sales* (Water expenses)	**2,925,000**
Advances, prepayments and other receivables (Advance to supplier)	*Trade and other payables* (Creditors)	**51,500**
Cost of services (Salaries, wages and other benefits)	*Administrative expenses* (Directors' remuneratation)	**14,954,400**
Trade and other payables (Other payables)	*Trade and other payables* (Income tax payable)	**446,382**
Trade and other payables (Other payables)	*Trade and other payables* (Sales tax payable)	**2,623,865**

40 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were approved by the Board of Directors of the Holding Company and authorised for issue on 05 Oct 2021.

41 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer	**Director**	**Chief Financial Officer**

SANA INDUSTRIES LIMITED

Pattern of Shareholding

As of June 30, 2021

# Of Shareholders	Shareholdings'Slab			Total Shares Held
120	1	to	100	2249
141	101	to	500	36770
45	501	to	1,000	37153
116	1,001	to	5,000	310022
38	5,001	to	10,000	283972
10	10,001	to	15,000	128133
7	15,001	to	20,000	116820
2	20,001	to	25,000	47000
1	25,001	to	30,000	27489
3	30,001	to	35,000	100750
3	35,001	to	40,000	113690
2	40,001	to	45,000	86662
2	45,001	to	50,000	96125
2	55,001	to	60,000	111780
1	60,001	to	65,000	62146
1	75,001	to	80,000	76116
1	100,001	to	105,000	100500
1	130,001	to	135,000	134400
1	195,001	to	200,000	200000
2	215,001	to	220,000	433966
1	220,001	to	225,000	222075
1	240,001	to	245,000	244944
1	280,001	to	285,000	283908
1	295,001	to	300,000	297988
1	300,001	to	305,000	304940
1	380,001	to	385,000	380724
1	470,001	to	475,000	473601
1	485,001	to	490,000	485654
1	505,001	to	510,000	507609
1	2,570,001	to	2,575,000	2570951
1	2,720,001	to	2,725,000	2721863
510				**11,000,000**

SANA INDUSTRIES LIMITED

Pattern of Shareholding

As of June 30, 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
ISMAIL YOUNUS	2	297,988	2.71
AFSHAN IRFAN	1	485,654	4.42
AREEJ RAFIQUE	1	3,200	0.03
HAFIZ MOHAMMED IRFAN NAWAB	1	2,721,863	24.74
MOHAMMED FAIZANULLAH	1	244,944	2.23
IBRAHIM YOUNUS	1	297,988	2.71
SABIHA YOUNUS	1	507,609	4.61
MOHAMMED YOUNUS NAWAB	1	2,570,951	23.37
Associated Companies, undertakings and related parties	-	-	-
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	1	236	0.00
Insurance Companies	1	35,018	0.32
Modarabas and Mutual Funds	2	473,819	4.31
General Public			
a. Local	489	3,201,703	29.11
b. Foreign	2	313	0.00
Others	6	158,714	1.44
Totals	**510**	**11,000,000**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
MOHAMMED YOUNUS NAWAB	2,570,951	23.37
HAFIZ MOHAMMED IRFAN NAWAB	2,721,863	24.74

FORM OF PROXY

M/s.Sana Industries Limited,
33-D-2, Block-6,
P.E.C.H.S,
Karachi.

I/We____

of______________________________ holding CNIC No. _____________________________________being a member of

SANA INDUSTRIES LIMITED, and holder of _________ Ordinary Shares as per the Share Register Folio No.__________

and/or CDC Participant I.D.No.____________________________ and Account / Sub Account No._____________________

hereby appoint____ of ________________________

or failing him/her____ of________________________

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 36th Annual General Meeting scheduled to be held on 27th October, 2021 or at any adjournment thereof.

Signed this____ day of ___________________________2021.

Signature of Proxy ____

Signature on Rs.5/- Revenue Stamp

Folio No. of Shareholder____________

No.of Shares held__________________

Signature of Shareholder

W I T N E S S E S

(1) Signature ______________________

Name________________________

CNIC No._____________________

Address______________________

____

____

(2) Signature _________________________

Name________________________

CNIC No._____________________

Address__________________________

____

____

NOTES:

* A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf. A Proxy need not be a member of the Company.
* If a member is unable to attend the meeting, they may complete and sign this form and send it to the Company Secretary, Sana Industries Limited, 33-D-2, Block-6, P.E.C.H.S., Karachi, so as to reach not less than 48 hours before the time appointed for holding the meeting.
* The Proxy form shall be witnessed by two persons whose names, addresses and NIC / Passport numbers shall be stated on the form.
* Attested copies of NIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
* The proxy shall produce his original NIC or original passport at the time of the meeting.
* In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.