Annual Report
2021-2022
Year ended 30th June, 2022

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. Mohammed Younus Nawab	- Member
Mr.Ismail Younus	- 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 : 021-34322556 - 9
Fax : 021-32570833
E-mail : snai@sana-industries.com

Mills

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

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Plot No. 180,
Block-A S.M.C.H.S.
Karachi.
Phone: - 021-34549345-9
Fax : 021-34548210

Legal Advisors

Aftab Ahmed.,
Advocate.
B-10,2nd Floor Shelozon Center,
Gulshan-e-Iqbal,
Karachi.
Phone: 0300-8355319

Bankers

Habib Metropolitan Bank Limited.
Bank Al Habib Limited.
Dubai Islamic Bank Limited.

Share Registrars

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Karachi.
Phone: 021-111-111-500
Fax : 021-34326027

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of the shareholders of the Sana Industries Limited will be held on Friday, the 28th of October, 2022 at 3.30 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 Annual General Meeting held on 27th October, 2021.

(2) To receive and adopt the audited financial statements of the Company for the year ended 30th June, 2022, together with the Auditors' Report and Directors' Report thereon.

(3) To consider and approve Final cash dividend of 10% for the year ended 30th June, 2022 as recommended by the directors.

(4) To appoint Auditors of the Company for the year ended 30th June, 2023. 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, 2022 by passing the following ordinary resolution with or without modification:

“RESOLVED that the transactions conducted with Related Party as disclosed in Note 42 of the unconsolidated financial statements for the year ended June 30, 2022 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, 2023 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, 2023.”

“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.”

(7) To discuss and approve the revision of rent of warehouse rented to Sana Logistics (Private) Limited.

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: 6th October, 2022

NOTES:

1. **Closure of Share Transfer Books**
The share transfer books of the Company shall remain closed from 21-Oct-2022 to 28-Oct-2022 (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 20-Oct-2022 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. **Withhholding 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 19, 2022 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.

9. **Mandatory Information of Physical Shareholders:**
According to Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar at CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400. Tel. Toll Free: 0800-23275, Email: info@cdcsrsl.com immediately to avoid any non-compliance of law or any inconvenience in future

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

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.34.86 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.4.11 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, 2022 are being placed before the shareholders for their consideration and approval / ratification.

All related party transactions, during the year 2022, 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, 2023 which shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.

AGENDA NO.7.

Sana Logistics (Pvt.) Limited (SLPL) is a subsidiary of Sana Industries Limited (SIL), SIL holds 70% shareholding in SLPL. SIL has rented out its warehouse facility having covered area of 113,275 square feet alongwith Cold Storage Machinery situated at Plot No.54, Deh Gondpass, Tapo Gabopat, Keamari Town, Karachi; also a dry-warehouse facility at Hub Chowki to SLPL since the last five and a half years.

In terms of the agreement executed on 01-04-2017, the agreed amount of rent of Rs.2,664,000/- per month also included the rent of cold storage machinery and Rs.336,000/- for other facility at Hub Chowki. During the agreement period of over five and half years, on 30-6-2018 that the Cold Storage Machinery was sold by the company to SLPL at a price of Rs. 116 million. The facility at Hub Chowki was taken back by the company for its own use in September 2021. However, in this respect no addendum to the said agreement was made for revision of rent on account of the sale of rented Cold Storage Machines to SLPL.

The management of SLPL vide its letter dated 3rd June 2022 requested the company to take cognizance of the prevailing situation and consider a revision in the amount of monthly rentals in view of the competitiveness as well as to factor in the effect of the Cold Storage Machines sold out and Hub Chowki facilities vacated. SLPL also stated that the logistics industry has over the last two years witnessed severe competition and a number of new entrants emerged in the area offering competitive prices and offered warehousing space at substantially economical rents. The management of SLPL also informed the company of the problems it faced because of competition, so much so that its major clients re-negotiated substantial cuts in contracted price for our warehousing services.

The company had after due deliberation of the matter decided to get the survey done by an independent surveyor. The company engaged the services of a “Pakistan Banks Association” approved surveyor for assessment of rental value of the existing warehouse facilities rented-out by the company to SLPL. The surveyor submitted its report dated June 20, 2022 to the company and given its own estimate of fair rental value for the company’s warehouse rented to SLPL.

Based on the report of surveyor and recommendation of the Board of Directors, keeping in view the circumstances mentioned above, the company here by proposes to fix the rent at the rate of Rupees 1,300,000/- per month w.e.f. July 01, 2022, subject to approval of shareholders.

The Surveyors Report and SLPL letter can be inspected during business hours at the registered office of the SIL.

DIRECTORS’ INTEREST IN THE SPECIAL BUSINESS

The directors are not interested in the above special business, other than their shareholding in Sana Industries Limited and associated companies.

Sana Industries Limited

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ ثناء انڈسٹریز لمیٹڈ کا 37واں سالانہ اجلاسِ عام 28 اکتوبر 2022ء (جمعہ) بوقت سہ پہر 3:30 بجے کمپنی کے دفتر بواقع 33-D-2، بلاک 6، .P.E.C.H.S، کراچی میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

1۔ 27 اکتوبر 2021 کو منعقدہ سالانہ اجلاس عام کی کاروائی کا مطالعہ و توثیق کرنا۔

2۔ 30 جون 2022ء کو مختتمہ سال کیلئے کمپنی کی تنقیح شدہ مالی اسٹیٹمنٹس معہ ڈائریکٹران اور آڈیٹران کی رپورٹس کی وصولی غور وخوض اور ان کی قبولیت۔

3۔ 30 جون 2022 کو ختم ہونے والے سال کے لئے ڈائریکٹرز کی سفارش کے مطابق حتمی نقد ڈیویڈنڈ 10 فیصد پر غور وخوض اور منظوری دینا۔

4۔ 30 جون 2023 مختتمہ سال کے لئے آڈیٹران کا تقرر۔ موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس ریٹائر ہوگئے اور اہل ہونے کی بناء پر خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔

خصوصی امور:

عام قرارداد

5-30 جون 2022 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 2022 مختتمہ سال کیلئے کمپنی کے غیر تنقیح شدہ مالی گوشواروں کے نوٹ نمبر میں منکشف اور سیکشن (3)134 کے تحت مادی معلومات کے بیان میں مرحبہ تمام متعلقہ پارٹیز ٹرانزیکشنز کمپنی کی طرف سے کی گئی ہیں اور بذریعہ ہذا ریٹیفائیڈ، 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 2023 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 2023 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 یہ لین دین حصص یافتگان 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۔"

(7) ثنالا جسٹکس (پرائیویٹ) لمیٹڈ کو کرایہ پر دیئے گئے ویئر ہاؤس کے کرایہ کی رویژن پر بحث اور منظوری دینا۔

دیگر امور

8۔ صدر نشین کی اجازت سے دیگر امور نمٹانا۔

حسب الحکم بورڈ

(عبدالحسین انتاریہ)

کمپنی سیکریٹری

کراچی

06 اکتوبر 2022ء

نوٹ:

1۔ اطلاع کتابوں کی بندش

کمپنی کی منتقلی حصص کی کتابیں، 21 اکتوبر 2022 تا 28 اکتوبر 2022 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (CDCSRSL)، سی ڈی سی ہاؤس، 99-B، بلاک SMCHS، B، کراچی 74400 میں 20 اکتوبر 2022ء کو کاروبار کے اختتام تک وصول ہونیوالی منتقلیاں اجلاس میں شرکت کیلئے بروقت تصور ہونگی۔

2۔ سالانہ اجلاس عام میں شرکت

شیئرز کا کوئی انفرادی بینیفشل اونر اپنی شناخت ثابت کرنے کے لئے اپنا اصل CNIC یا پاسپورٹ، اکاؤنٹ اور پارٹیسپنٹ آئی ڈی نمبرز لازماً ہمراہ لائے۔ کارپوریٹ ارکان کے نمائندگان بورڈ کی قرارداد/مختارنامہ اور نامزدہ کے نمونہ دستخط لازماً ہمراہ لائیں۔ سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز 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 کرنا 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 تاآنکہ مؤثر ہوسکیں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر، 33-D-2، بلاک 6، .P.E.C.H.S، کراچی (فون نمبر: 34322556-59) میں لازماً پہنچ جانی چاہئیں اور وہ دن شمار نہیں کیا جائے گا جس دن کا کوئی حصہ یوم کار نہ ہو۔ ایک رکن ایک سے زیادہ پراکسی مقرر کرنے کا اہل نہیں ہوگا۔

ارکان سے التماس ہے کہ اپنے پتوں، زکوٰۃ ڈیکلیریشن (CZ-50) اور ٹیکس ایگزیمپشن 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)

سیکورٹیز 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 ڈیویڈینڈز پر رجسٹرڈ رکن یا مجاز فرد، سوائے نابالغ اور افراد کے CNIC نمبر لازماً تحریر ہونے چاہئیں اور کارپوریٹ اینٹیٹیز سے التماس ہے کہ وہ کمپنی کے شیئر رجسٹرار کو جمع کرائیں۔ غیر تعمیل کی صورت میں، کمپنی قانون کے مطابق ڈیویڈینڈ کا کریڈٹ روک لے گی۔

4۔ نقد منافع منقسمہ کی الیکٹرونیکلی ادائیگی (مینڈیٹری ریکوائرمنٹ)

کمپنیز ایکٹ 2017ء کے سیکشن 242 پروویژنز او رکمپنیز (ڈسٹری بیوشن آف ڈیویڈینڈز) ریگولیشنز 2017 کے مطابق، فہرستی کمپنیوں کے لئے ضروری ہے کہ نقد منافع منقسمہ کا لین دین فقط 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 شریک/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 ہولڈر	
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-ڈیویڈینڈ پر ود ہولڈنگ ٹیکس کی کٹوتی:

انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت حصص کی ڈیویڈینڈ آمدنی پر ود ہولڈنگ ٹیکس کی کٹوتی لازمی ہے اور فی الحال 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 کے ای پورٹل (http://ww.fbr.gov.pk/) پر دستیاب ایکٹو ٹیکس دہندگان کی فہرست پر ظاہر ہوتا ہے۔ '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 'ایکٹو' یا 'نان ایکٹو' سمجھا جائے گا اور ہر مشترکہ ہولڈر کی شیئر ہولڈنگ کی بنیاد پر ٹیکس میں کٹوتی کی جائے گی، جیسا کہ، ہمارے شیئر رجسٹرار کو شیئر ہولڈر کے ذریعہ مطلع کیا جائے گا۔ یا اگر مطلع نہیں کیا گیا تو، ہر مشترکہ ہولڈر کو مساوی حصص کی حیثیت سے سمجھا جائے گا۔

کمپنی کا نام	فولیو/سی ڈی ایس 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 ہاں 16 اکتوبر 2021 کو کاروبار کے اختتام سے قبل لازماً پہنچ جانی چاہئیں بصورت دیگر یہ فرض کرلیا 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 آن ڈیویڈینڈ رقم) کی دفعہ 150 کے تحت ودہولڈنگ ٹیکس کی ایگزیمپشن کلیم کرنے کیلئے کارآمد ایگزیمپشن سرٹیفکیٹ ضرور ہے جہاں سیکنڈ شیڈول کے پارٹ IV کی کلاز 47B کے تحت Statutory ایگزیمپشن دستیاب ہے۔ حصص داران جو مذکورہ بالا کلاز میں مذکور کیٹگری 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 کتابوں کی بندش سے قبل کارآمد ٹیکس ایگزیمپشن سرٹیفکیٹ لازماً مہیا 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۔ نظرثانی شدہ مالی حسابات اور نوٹسز کی الیکٹرانک ترسیل

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

براہِ مہربانی ذہن نشین کرلیں کہ بذریعہ ڈاک وصولی کی بجائے سالانہ مالی حسابات کی وصولی کے لیے ای میل ایڈریس دینا آپشنل ہے۔ بصورت آپ اس سہولت سے مستفید نہیں ہونا چاہتے اس نوٹس کو نظرانداز کردیں۔ سالانہ مالی حسابات معمول کے مطابق آپ کے رجسٹرڈ پتہ پر ارسال کردیئے جائیں گے۔

7۔ ویڈیو کانفرنس سہولت

ارکان وڈیو کانفرنس سہولت سے مستفید ہوسکتے ہیں، ۔اس سلسلہ میں درج ذیل فارم کو پُر کر کے کمپنی کے ہیڈ آفس میں سالانہ اجلاس عام کے انعقاد سے 10 یوم قبل جمع کرائیں۔ اگر کمپنی مجموعی دس فیصد 10% یا زیادہ شیئر ہولڈنگ کے مالک جغرافیائی محل وقوع میں سکونتی حصص دارن سے اجلاس میں وڈیو 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 حوالہ سے شہر میں ویڈیو کانفرنس سہولت کا انتظام کرے گی۔

''میں/ہم .... سکنہ .... بحیثیت ثناء انڈسٹریز لمیٹڈ، مالک .... عام حصص بمطابق رجسٹرڈ فولیو نمبر/ سی ڈی سی اکاؤنٹ نمبر .... بذریعہ ہذا .... میں وڈیو کانفرنس سہولت اختیار کرنا چاہتے ہیں۔

دستخط حصص دار............

8۔ سی ڈی سی اکاؤنٹس میں فزیکل شیئرز کا 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 اور شکل کے انداز میں اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا ضروری ہوگا۔

مادی شیئر ہولڈنگ والے حصص یافتگان براہ کرم اپنے مادی حصص کو اسکرپ لیس شکل میں رکھنے کے لئے کسی بھی بروکر کے ہاں سی ڈی سی سب اکاؤنٹ یا براہِ راست سی ڈی سی کے ہاں انویسٹرز اکاؤنٹ کھولیں۔

کسی بھی استفسار/معلومات کے لئے، سرمایہ کار کمپنی کے شیئر رجسٹرار سے رابطہ کرسکتے ہیں۔

9۔ مادی حصص داران کی لازمی معلومات

کمپنیز ایکٹ 2017 کے سیکشن 119 اور ریگولیشن 19 کمپنیز (جنرل پروویژنز اور فارمز) ریگولیشنز، 2018 کے مطابق تمام مادی حصص یافتگان سے درخواست کی جاتی ہے کہ وہ فوری طور پر اپنی لازمی معلومات جیسے کہ CNIC نمبر، ایڈریس، ای میل ایڈریس، موبائل/ ٹیلی فون رابطہ نمبر، انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN) وغیرہ قانون کی عدم تعمیل سے بچنے کے لیے ہمارے شیئر رجسٹرار کو سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک بی، S.M.C.H.S، مین شارع فیصل، کراچی 74400، ٹال فری فون: 0800-23275، ای میل: info@cdcsrsl.com پر فراہم کریں۔

اسٹیٹمنٹ زیر دفعہ (3)134 بابت کمپنیز ایکٹ 2017

عام قرارداد

ایجنڈا آئٹم نمبر 5۔ ذیلی کمپنی کے ساتھ ٹرانزیکشن

معمول کے کاروبار کے دوران کمپنی نے اپنی ذیلی کمپنی، ثنالاجسٹک (پرائیویٹ) لمیٹڈ کے ساتھ کرایہ، بجلی، بحالی، ہیلتھ انشورنس اور ٹھیکیدار کی ادائیگیوں وغیرہ کی ادائیگی کی مد میں 34.86 ملین روپے کا لین دین کیا ہے۔ کمپنی کے کاروبار کے ضمن میں اپنی ذیلی کمپنی ثنا ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کے ساتھ کرایہ، بجلی، دیکھ بھال، ہیلتھ انشورنس اور کنٹریکٹر کی ادائیگیوں وغیرہ کی بحالی کے لیے لین دین کرتی ہے جس کی رقم 4.11 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 دینی ہوتی ہے۔ لہذا، 30 جون، 2022 کو ختم ہونے والے مالی سال کے دوران کئے گئے لین دین کو شیئر ہولڈرز کے سامنے ان کی غوروخوض اور منظوری/ توثیق کے لئے رکھا جارہا ہے۔

سال 2022 کے دوران پارٹی سے متعلقہ 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 2023 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 لئے اگلے سالانہ اجلاس عام میں رکھے جائیں گے۔

ایجنڈا نمبر 7

Sana Industries Limited (SIL), Sana Logistics (Pvt.) Limited (SLPL) کا ذیلی ادارہ ہے، SIL کے پاس SLPL میں 70% شیئر ہولڈنگ ہے۔ SIL نے پلاٹ نمبر 54، دیہ گونڈ پاس، ٹپوگوپٹ، کیماڑی ٹاؤن، کراچی میں واقع کولڈ سٹوریج مشینری کے ساتھ 113,275 مربع فٹ کے رقبے پر مشتمل اپنی گودام کی سہولت کرائے پر دی ہے۔ پچھلے ساڑھے پانچ سالوں سے حب چوکی سے ایس ایل پی ایل تک ڈرائی گودام کی سہولت بھی۔

2017-04-01 کو ہونے والے معاہدے کے مطابق -/2,664,000 روپے ماہانہ کے کرایہ کی متفقہ رقم میں کولڈ اسٹوریج کی مشینری کا کرایہ اور حب چوکی میں دیگر سہولت کے لیے -/336,000 روپے بھی شامل ہیں۔ ساڑھے پانچ سال سے زیادہ کے معاہدے کی مدت کے دوران، 30-6-2018 کو کمپنی کی طرف سے کولڈ سٹوریج کی مشینری SLPL کو روپے کی قیمت پر فروخت کی گئی۔ 116 ملین۔ حب چوکی کی سہولت کمپنی نے ستمبر 2021 میں اپنے استعمال کے لیے واپس لے لی تھی۔ تاہم، اس سلسلے میں ایس ایل پی ایل کو کرائے پر لی گئی کولڈ سٹوریج مشینوں کی فروخت کی وجہ سے کرائے پر نظر ثانی کے لیے مذکورہ معاہدے میں کوئی ضمیمہ نہیں بنایا گیا۔

ایس ایل پی ایل کی انتظامیہ نے 3 جون 2022 کو اپنے خط کے ذریعے کمپنی سے درخواست کی کہ وہ موجودہ صورتحال کا ادراک کرے اور مسابقت کے پیش نظر ماہانہ کرایہ کی رقم پر نظر ثانی کرے اور ساتھ ہی فروخت ہونے والی کولڈ سٹوریج مشینوں کے اثر کو مدنظر رکھتے ہوئے باہر اور حب چوکی کی سہولیات خالی۔ ایس ایل پی ایل نے یہ بھی کہا کہ لاجسٹک انڈسٹری میں گزشتہ دو سالوں میں شدید مسابقت دیکھنے میں آئی ہے اور اس علاقے میں متعدد نئے داخلے سامنے آئے ہیں جنہوں نے مسابقتی قیمتیں پیش کیں اور کافی اقتصادی کرایوں پر گودام کی جگہ کی پیشکش کی۔ SLPL کی انتظامیہ نے کمپنی کو مسابقت کی وجہ سے درپیش مسائل کے بارے میں بھی آگاہ کیا، یہاں تک کہ اس کے بڑے کلائنٹس نے ہماری گودام کی خدمات کے لیے معاہدہ شدہ قیمت میں خاطر خواہ کمی پر دوبارہ بات چیت کی۔

کمپنی نے معاملے پر کافی غوروخوض کے بعد ایک آزاد سرویئر سے سروے کرانے کا فیصلہ کیا تھا۔ کمپنی نے ایس ایل پی ایل کو کمپنی کی طرف سے کرائے پر دیے گئے گودام کی موجودہ سہولیات کے کرایے کی قیمت کے تعین کے لیے "پاکستان بینکس ایسوسی ایشن" کے منظور شدہ سرویئر کی خدمات حاصل کیں۔ سرویئر نے اپنی رپورٹ مورخہ 20 جون، 2022 کمپنی کو پیش کی اور کمپنی کے گودام کے لیے SLPL کو کرائے پر دیے گئے مناسب کرایے کی قیمت کا اپنا تخمینہ دیا۔

سرویئر کی رپورٹ اور بورڈ آف ڈائریکٹرز کی سفارش کی بنیاد پر، مذکورہ بالا حالات کو مدنظر رکھتے ہوئے، کمپنی یہاں 01 جولائی 2022 سے -/1,300,000 روپے ماہانہ کی شرح سے کرایہ طے کرنے کی تجویز پیش کرتی ہے۔ شیئر ہولڈرز کی منظوری سے مشروط۔

SIL کے رجسٹرڈ آفس میں کاروباری اوقات کے دوران سرویئرز کی رپورٹ اور SLPL لیٹر کا معائنہ کیا جاسکتا ہے۔

خصوصی کاروبار میں ڈائریکٹرز کی دلچسپی

ڈائریکٹرز ثنا انڈسٹریز لمیٹڈ اور اس سے منسلک کمپنیوں میں اپنے شیئر ہولڈنگ کے علاوہ مذکورہ خصوصی کاروبار میں دلچسپی نہیں 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 2022, 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, 2022.

Directors' Report

The Directors of the company take pleasure in presenting before you the financial results ofthe company for the financial year ended June 30, 2022.

The principal business activities of the company are manufacturing and sale of man- made fiber yarn. In 2006, the company decided to diversify into logistics business, thereby in2017 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 SanaDistributors (Pvt) Limited under its wings as its wholly owned subsidiary, operational since February 2021.

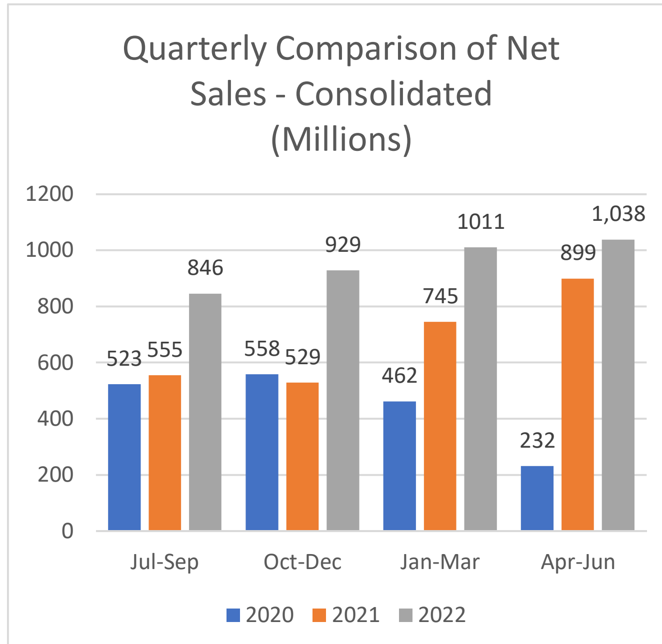
Alhamdulillah, the Company's operations showed an impressive result this year. Despite fierce competition with Local and International competitors, the Company has managed to post a consolidated gross revenue of Rs. 4.83 billion with an increase of 45% as compared to Same Period Last Year (SPLY), highest ever achieved by the Company since the start of its operations, mainly on account of acceleration in sales price of yarn coupled with injection of revenue through Sana Distributors (Pvt) Limited, a wholly owned subsidiary of Sana Industries Limited established during last financial year.

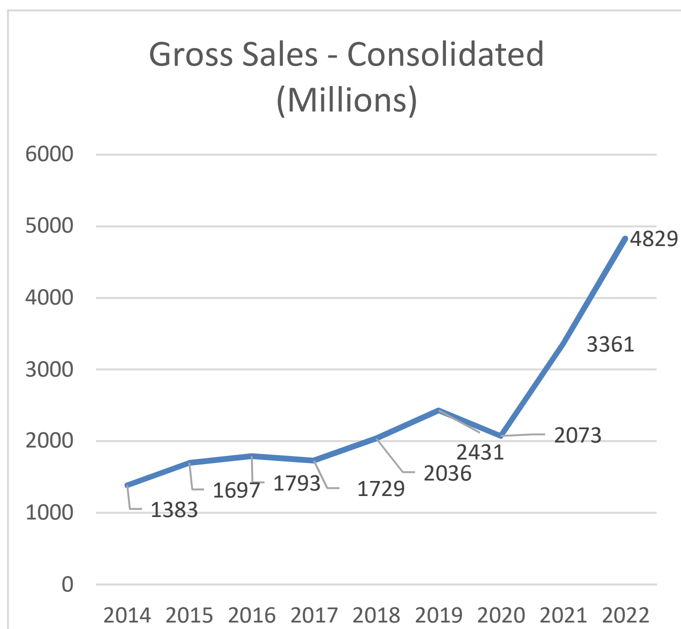
There was significant increase in the cost of imported raw material owing to devaluation of the rupee in the last quarter of this Financial Year (FY). Moreover, higher fiber prices, challenging supply and uncertain taxes and levies, have made it difficult for the industry to take a long-term view over its operations. Despite the abovementioned impediments, due to the consistent efforts of the management and better product mix, the Company has managed to generate record-breaking consolidated profits of Rs.131.54 million as compared to Rs. 77.37 million SPLY.

Financial Results

The consolidated financial results of the company for the year ended June 30th, 2022, are summarized below:

Gross Revenue (Rs.)	4,828,561,536
Profit before taxation (Rs.)	175,270,866
Profit after taxation (Rs.)	131,537,885





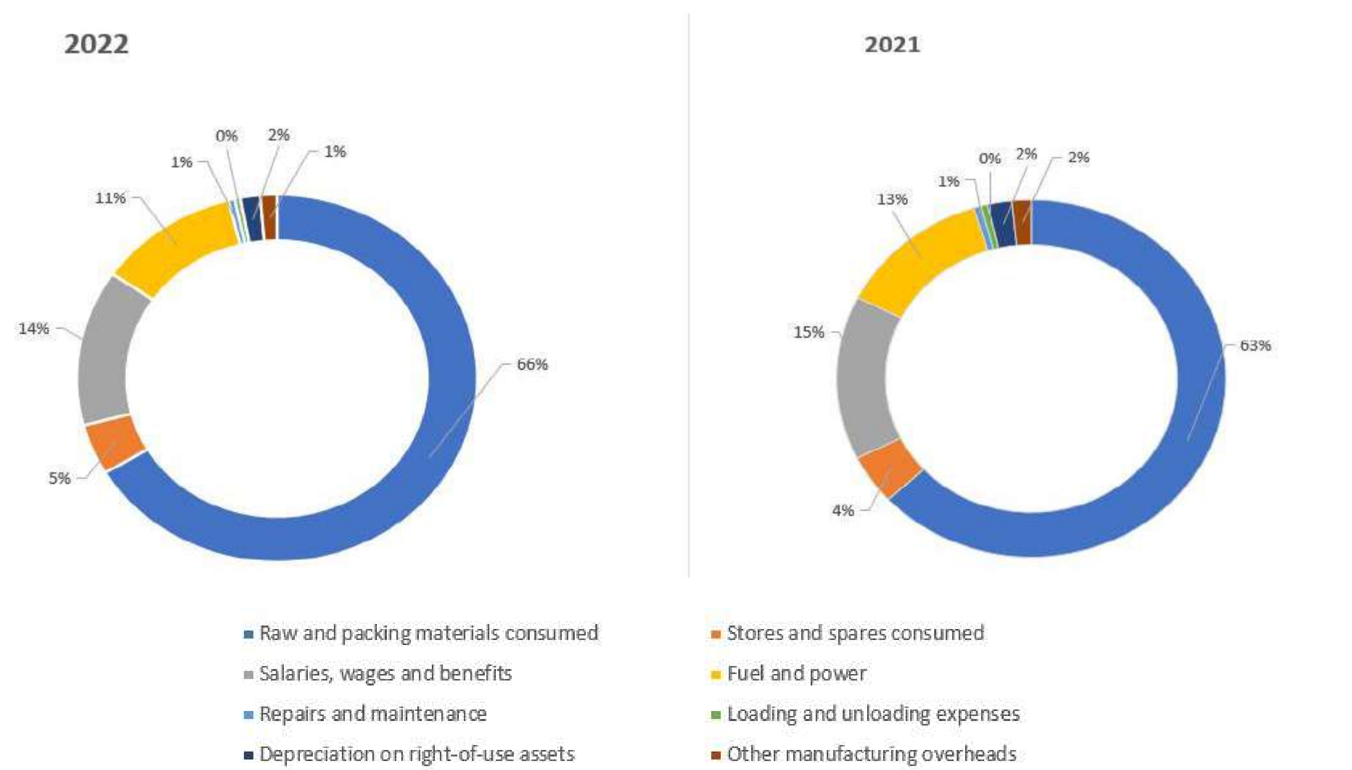
Unconsolidated Financial Results

The comparison of the key financial results of the Company for the year ended June 30, 2022, are as follows

The overall local sales increased by 23.56% in this year as compared to SPLY, mainly on account of acceleration in the sales price of yarn and addition of production capacity by 2400 spindles.

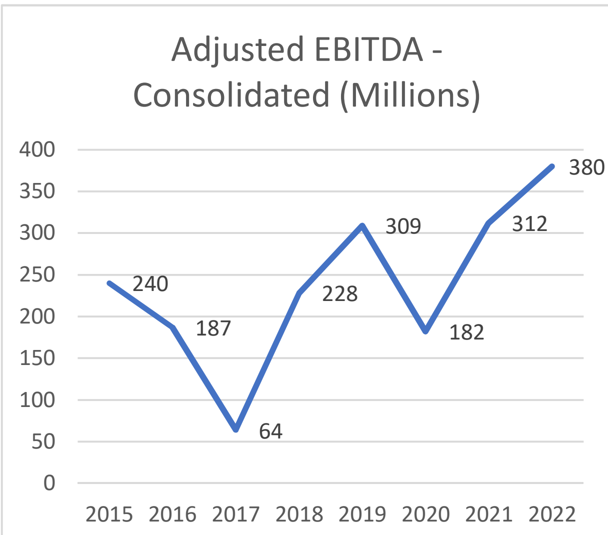
Below is the breakup of manufacturing cost:

	June 30, 2022	% age of Sales	June 30, 2021	% age of Sales	Increase/ (Decrease)	Increase/ (Decrease) in % age
Sales (net)	2,630,597,538		2,128,999,401		501,598,137	
Cost of Goods Sold	2,324,885,585	88.38%	1,871,985,087	87.93%	452,900,498	0.45%
Gross Profit	305,711,953	11.62%	257,014,314	12.07%	48,697,639	-0.45%
Administrative Expenses	75,556,478	2.87%	69,854,745	3.28%	5,701,733	-0.41%
Distribution Cost	15,164,912	0.58%	15,021,954	0.71%	142,958	-0.13%
Other Operating Expenses	15,112,335	0.57%	10,553,454	0.50%	4,558,881	0.08%
Other Income	70,130,178	2.67%	36,057,206	1.69%	34,072,972	0.97%
Finance Cost	96,148,513	3.66%	60,473,301	2.84%	35,675,212	0.81%
Profit Before Taxation	173,859,893	6.61%	137,168,066	6.44%	36,691,827	0.17%
Profit After Taxation	128,288,943	4.88%	94,778,726	4.45%	33,510,217	0.43%
Earnings Per Share (Rs.)	10.60		9.10			



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 balancesheets (Annex-C)
- Quarter-wise comparative profit andloss accounts (Annex-D)
- Statistical summary of key operating and financial data of last 6 years (Annex-E)

Economic Prospects

FY 2022 started off on a positive note where the prospects of economic growth were quite visible, and all the macroeconomic indicators were posing a positive image. However, things changed significantly in the second half of the FY with political instabilities, high inflation on account of acceleration of global oil prices, abrupt devaluation of rupee, increase in domestic demand, supply constraints, coupled with depleting country's foreign reserves, have compelled the government to take the steps to lower the economic growth by reducing import (through cash margin on certain items and imposing ban on import of certain item) and increasing the discount rate to 15%, which will not only discourage imports but will also reduce the overall consumer spending, hence, supporting the balance of payment and sustaining the inflation rate.

At an international level, the Russia / Ukraine war has also inhibited the overall economic growth with the inflation being quite a daunting challenge for even the major economies to manage.

During the year, the import bills have increased significantly by 42.21% (in USD terms) to USD 80.18 billion in contrast to USD 56.38 billion SPLY mainly due to rising energy import cost. The impact of increasing import on the foreign reserves was offset to some extent by the increase in exports by 25.64% (in USD terms) mainly on account of growth in exports of textile sector.

Future Outlook of the Company

The company embarked on an expansion project last year whereby the total lift in production capacity was equivalent to 8100 spindles. There has been an addition of 2400 spindles during the current financial year which has been injected in the system.

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.

Out of three, one Murata machinery equivalent to 1900 spindles has arrived at the production facility and its installation is underway.

The remainder two Murata MVS machinery equivalent to 3800 spindles will be shipped to us by December 2022.

The table below depicts the current situation of machinery project:

Production capacity at the start of the year	31,488	Spindles
Addition of spindles during the year	2,400	Spindles
One MVS machinery [arrived during the year – yet to be installed]	1,900	Spindles [Equivalent]
Two MVS machines [to arrive tentatively by December 2022]	3,800	Spindles [Equivalent]
Total Post Expansion Capacity	***39,588***	***Spindles [Equivalent]***

The project size as reported last year was tentatively Rs. 400 million. However, due to significant devaluation of rupee during the year, the project size, considering the actual exchange rate at which the LC's were retired and current spot rate for pending machinery LCs mentioned above shall be Rs. 530 million.

Moreover, during the year, due to exchange rate swing towards North, our working capital requirements have also increased which have been managed through retained earnings and increase in Islamic short term financing facilities accordingly.

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, 2023.

Pattern of Holding of Shares

The Pattern of Holding of Shares as prescribed by the SECP Circular dated 28/3/2002 to theStock 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, 2022, at Rs. 1 per share i.e. 10%. This is in addition to interim dividend already paid at Rs. 1.50 per share i.e. 15%. Hence, total dividend announced for the year works out to 25%.

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, 2022. Total of assets / investments as on 30/6/2021 were Rs. 46,987,838/=

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 2022. Number of Meetings attended by each Directors are stated there against:

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

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:

Purchases

Date of Transaction	Purchaser	No of shares	Nature	Rate/ Share
9-11-2021	Mr. Mohammad Younus Nawab	257095	Bonus	0
9-11-2021	Mr. Mohammad Irfan Nawab	272186	Bonus	0
9-11-2021	Mrs. Sabiha Younus	50760	Bonus	0
9-11-2021	Mrs. Afshan Irfan	48565	Bonus	0
9-11-2021	Mr. Ibrahim Younus	29798	Bonus	0
9-11-2021	Mr. Ismail Younus	29798	Bonus	0
9-11-2021	Mr. Muhammad FaizanUllah	24494	Bonus	0
9-11-2021	Ms. Areej Rafiq	320	Bonus	0
17-2-2022	Mr. Ibrahim Younus	2784	Buy	60

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 continuoussupport 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, 2022

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے مالیاتی سال کے لئے کمپنی کے مالیاتی نتائج آپ کے سامنے پیش کرنے میں خوشی محسوس کرتے ہیں۔

کمپنی کی اہم کاروباری سرگرمیاں انسانی ساختہ فائبر یارن کی تیاری اور فروخت ہیں۔ 2006 میں، کمپنی نے لاجسٹکس کے کاروبار میں متنوع ہونے کا فیصلہ کیا، اس طرح 2017 میں جیسے جیسے کاروبار میں اضافہ ہوا، ہم نے ثنا لاجسٹکس (پرائیویٹ) لمیٹڈ کو ایک خودمختار توجہ مرکوز ٹیم کے ساتھ ثنا انڈسٹریز لمیٹڈ کے ماتحت ادارے کے طور پر قائم کیا۔ 2020 میں، ایک دوسرے بڑے تنوع کے منصوبے میں کمپنی نے ثنا ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کو اپنے پنکھوں کے تحت اپنے مکمل ملکیت کے ماتحت ادارے کے طور پر شامل کیا، جو فروری 2021 سے کام کر رہا ہے۔

الحمدللہ اس سال کمپنی کے آپریشنز نے متاثر کن نتائج ظاہر کیے۔ مقامی اور بین الاقوامی حریفوں کے ساتھ سخت مسابقت کے باوجود، کمپنی نے گزشتہ سال کے اسی عرصے کے مقابلے میں 45 فیصد اضافے کے ساتھ 4.83 ارب روپے کی مجموعی مجموعی آمدنی پوسٹ کرنے میں کامیابی حاصل کی ہے، جو کمپنی کی طرف سے اپنے آپریشنز کے آغاز کے بعد سے اب تک کی سب سے زیادہ حاصل کی گئی ہے۔ بنیادی طور پر سوت کی فروخت کی قیمت میں اضافے کے ساتھ ساتھ ثنا ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کے ذریعے آمدنی کے انجکشن کی وجہ سے، جو گزشتہ مالی سال کے دوران قائم ثنا انڈسٹریز لمیٹڈ کی مکمل ملکیت کا ماتحت ادارہ ہے۔

رواں مالی سال کی آخری سہ ماہی میں روپے کی قدر میں کمی کی وجہ سے درآمدی خام مال کی قیمت میں نمایاں اضافہ ہوا۔ اس کے علاوہ، اعلیٰ فائبر کی قیمتوں، چیلنجنگ کی فراہمی اور غیر یقینی ٹیکسوں اور محصولات نے صنعت کے لئے اپنے آپریشنز پر طویل مدتی نقطہ نظر لینے کے لئے مشکل بنا دیا ہے۔ مذکورہ بالا رکاوٹوں کے باوجود انتظامیہ کی مسلسل کاوشوں اور بہتر پروڈکٹ مکس کی وجہ سے کمپنی 77.37 ملین روپے ایس پی ایل وائی کے مقابلے میں 131.54 ملین روپے کا ریکارڈ توڑ مجموعی منافع حاصل کرنے میں کامیاب رہی ہے۔

مالیاتی نتائج

30 جون، 2022 کو ختم ہونے والے سال کے لئے کمپنی کے مستحکم مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

خام آمدنی	4,828,561,536
قبل از ٹیکس منافع	175,270,866
بعد از ٹیکس منافع	131,537,885

غیر مدغم شدہ مالیاتی نتائج

30 جون 2022 کو ختم ہونے والے سال کے لئے کمپنی کے اہم مالیاتی نتائج کا موازنہ درج ذیل ہے:

گزشتہ سال کے مقابلے میں اس سال مجموعی طور پر مقامی فروخت میں بنیادی طور پر یارن کی قیمت فروخت میں تیزی اور 2400 اسپنڈلز کی طرف سے پیداواری صلاحیت میں اضافے کی وجہ سے 23.56 فیصد اضافہ ہوا۔

ذیل میں مینوفیکچرنگ کی لاگت کا بریک اپ دیا گیا ہے:

مندرجات	30جون2022	فیصد فروخت	30جون2021	فیصد فروخت	اضافہ / کمی	اضافہ / کمی فیصد میں
فروخت (خالص)	2,630,597,538		2,128,999,401		501,598,137	
لاگت فروخت	2,324,885,585	88.38%	1,871,985,087	87.93%	452,900,498	0.45%
خام منافع	305,711,953	11.62%	257,014,314	12.07%	48,697,639	-0.45%
انتظامی اخراجات	75,556,478	2.87%	69,854,745	3.28%	5,701,733	-0.41%
تقسیمی لاگت	15,164,912	0.58%	15,021,954	0.71%	142,958	-0.13%
دیگر کاروباری اخراجات	15,112,335	0.57%	10,553,454	0.50%	4,558,881	0.08%
دیگر آمدن	70,130,178	2.67%	36,057,206	1.69%	34,072,972	0.97%
مالیاتی لاگت	96,148,513	3.66%	60,473,301	2.84%	35,675,212	0.81%
قبل از ٹیکس منافع	173,859,893	6.61%	137,168,066	6.44%	36,691,827	0.17%
بعد از ٹیکس منافع	128,288,943	4.88%	94,778,726	4.45%	33,510,217	0.43%
فی شیئر آمدن	10.60		9.10			

ایڈجسٹ شدہ EBITDA

EBITDA آمدنی قبل از سود، ٹیکس، فرسودگی اور تخفیف) گزشتہ 8 سالوں سے IFRS-16 کے تحت زیر استعمال اثاثہ حق کی قدر میں کمی اور فائنانس لاگت کے اثرات کے لئے ایڈجسٹ کیا گیا ہے اور ادا کردہ اصل کرایہ کی رقم منافع سے کٹوتی کی گئی ہے تا کہ کمپنی کے آپریشنل معاملات کی حقیقی تصویر پیش کی جا سکے۔

ہمارے حصص یافتگان کو سہولت فراہم کرنے کے لئے، آپریٹنگ اور مالی اعداد و شمار کے مندرجہ ذیل موازنہ اس رپورٹ کے ساتھ منسلک کیا گیا ہے:

- پچھلے سال کے ساتھ موازنہ) ضمیمہ (Annex-A)
- پچھلے کوارٹر کے ساتھ موازنہ۔(Annex-B)
- سہ ماہی وار تقابلی توازن شیٹس (Annex-C)
- سہ ماہی وار تقابلی منافع اور نقصان کے اکاؤنٹس (Annex-D)
- گزشتہ 6 سالوں کے کلیدی آپریٹنگ اور مالی اعداد و شمار کا شماریاتی خلاصہ (Annex-E)

اقتصادی امکانات

مالیاتی سال 2022 کا آغاز مثبت انداز میں ہوا جہاں معاشی نمو کے امکانات نمایاں تھے اور تمام میکرو اکنامک انڈیکیٹرز ایک مثبت تصویر پیش کر رہے تھے۔ تاہم مالیاتی سال کی دوسری ششماہی میں سیاسی عدم استحکام، عالمی سطح پر تیل کی قیمتوں میں اضافے کی وجہ سے افراط زر میں اضافہ، روپے کی قدر میں اچانک کمی، ملکی طلب میں اضافہ، رسد کی رکاوٹوں کے ساتھ ساتھ ملکی زرمبادلہ کے ذخائر میں کمی نے حکومت کو درآمدات میں کمی کے ذریعے معاشی نمو کو کم کرنے کے لیے اقدامات کرنے پر مجبور کیا ہے (بعض اشیا پر نقد مارجن اور بعض اشیا کی درآمد پر پابندی عائد کرنے کے ذریعے) اور ڈسکاؤنٹ ریٹ کو 15 فیصد تک بڑھانا، جس سے نہ صرف درآمدات کی حوصلہ شکنی ہوگی بلکہ مجموعی طور پر صارفین کے اخراجات میں بھی کمی آئے گی، لہذا، ادائیگی کے توازن کی حمایت اور افراط زر کی شرح کو برقرار رکھنے میں مدد ملے گی۔

بین الاقوامی سطح پر، روس / یوکرین کی جنگ نے مجموعی طور پر معاشی نمو کو بھی روک دیا ہے جس میں افراط زر یہاں تک کہ بڑی معیشتوں کے انتظام کے لئے بھی ایک مشکل چیلنج ہے۔

دوران سال درآمدی بلوں میں 42.21 فیصد (امریکی ڈالر کے لحاظ سے) نمایاں اضافہ ہوا ہے جو 80.18 بلین امریکی ڈالر تک پہنچ گیا ہے جبکہ گزشتہ سال کے اسی عرصے میں 56.38 بلین امریکی ڈالر کے مقابلے میں بنیادی طور پر توانائی کی درآمدی کی لاگت میں اضافہ کی وجہ سے تھا۔ زرمبادلہ کے ذخائر پر درآمدات میں اضافے کے اثرات کو کسی حد تک برآمدات میں 25.64 فیصد (امریکی ڈالر کے لحاظ سے) اضافے سے پورا کیا گیا جس کی بنیادی وجہ ٹیکسٹائل سیکٹر کی برآمدات میں اضافہ ہے۔

کمپنی کا مستقبل کا جائزہ

کمپنی نے پچھلے سال ایک توسیعی منصوبے کا آغاز کیا تھا جس کے تحت پیداواری صلاحیت میں کل اٹھان 8100 اسپنڈل کے برابر تھی۔ رواں مالیاتی سال کے دوران 2400 اسپنڈلز کا اضافہ ہوا ہے جسے سسٹم میں انجیکٹ کیا گیا ہے۔ اس منصوبے میں رنگ اسپننگ کے 2400 اسپنڈلز اور 3 مراٹا ورٹیکس مشینوں کا اضافہ شامل ہوگا جس سے پیداوار کو 5700 اسپنڈلز کے برابر لفٹ ملے گی۔ مراٹا ورٹیکس مشین ایک نئی، جدید اور ہلکی پھلکی ٹکنالوجی ہے جو نہ صرف موثر لاگت ہے، بلکہ یہ ہماری موجودہ مصنوعات کے مرکب میں بھی بہت زیادہ قدر شامل کرے گی۔

تین میں سے 1900 اسپنڈلز کے برابر ایک مراٹا مشینری پیداواری تنصیب پر پہنچ چکی ہے اور اس کی تنصیب کا کام جاری ہے۔

باقی دو مراٹا ایم وی ایس مشینری 3800 اسپنڈلز کے برابر دسمبر 2022 تک ہمیں بھیج دی جائے گی۔

مندرجہ ذیل جدول مشینری پروجیکٹ کی موجودہ صورتحال کو ظاہر کرتا ہے:

پیداواری صلاحیت آغاز سال پر	31,488
دوران سال اسپنڈلز میں اضافہ	2,400
دوران سال ایک MVS مشین پہنچنا	1,900
ایک MVS مشین دسمبر 2022 تک عارضی طور پر پہنچ جائیں گی	3,800
کل پوسٹ توسیعی صلاحیت	39,588

جیسا کہ گزشتہ سال بتایا گیا تھا کہ منصوبے کا حجم عارضی طور پر 400 ملین روپے تھا۔ تاہم، دوران سال روپے کی قدر میں نمایاں کمی کی وجہ سے، منصوبے کا سائز، اصل ایکسچینج ریٹ جس پر LCs کو ریٹائر کیا گیا تھا اور زیر التوا مشینری LCs کے لئے موجودہ اسپورٹ شرح 530 ملین روپے ہوگی۔

مزید برآں، سال کے دوران، ایکسچینج ریٹ شمال کی طرف سوئنگ کی وجہ سے، ہماری ورکنگ کیپٹل کی ضروریات میں بھی اضافہ ہوا ہے جو برقرار آمدنی اور اس کے مطابق اسلامی قلیل مدتی فائنانسنگ کی سہولیات میں اضافے کے ذریعے منظم کیا گیا ہے۔

آڈیٹرز

چارٹرڈ اکاونٹنٹس کے موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے 30 جون 2023 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کر رہے ہیں۔

شیئر ہولڈنگ کا پیٹرن

ایس ای سی پی سرکلر مورخہ 28/3/2002 کے مطابق اسٹاک ایکسچینج کو شیئرز کے انعقاد کا پیٹرن سالانہ رپورٹ میں شامل کیا گیا ہے۔

ڈیویڈنڈ اور بونس کا اعلان

30 جون 2022 کو ختم ہونے والے سال کے لئے حتمی نقد ڈیویڈنڈ کا اعلان کیا گیا ہے جو 1 روپے فی حصص یعنی 10 فیصد ہے۔ یہ عبوری ڈیویڈنڈ کے علاوہ ہے جو پہلے ہی 1.50 روپے فی شیئر یعنی 15 فیصد کے حساب سے ادا کیا جا چکا ہے۔ لہذا، سال کے لئے اعلان کردہ کل منافع 25 تک کام کرتا ہے۔

ڈائریکٹرز کے بیانات

(1) مالی بیانات کمپنی کے معاملات کی حالت، اس کے آپریشنز، نقد بہاؤ اور ایکوئٹی میں تبدیلیوں کا نتیجہ کافی حد تک پیش کرتے ہیں.

(2) کمپنی نے اکاونٹ کی مناسب کتابوں کو برقرار رکھا ہے

(3) مناسب اکاونٹنگ کی پالیسیوں کو مسلسل مالی بیانات کی تیاری میں لاگو کیا گیا ہے اور اکاونٹنگ کا تخمینہ مناسب اور محتاط فیصلے پر مبنی ہے.

(4) بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں اپنایا گیا ہے اور اس سے کسی بھی روانگی، اگر کوئی ہو تو، مناسب طور پر ظاہر اور وضاحت کی گئی ہے.

(5) اندرونی کنٹرول کا نظام صوتی ڈیزائن کا ہے اور موثر طریقے سے لاگو اور نگرانی کی گئی ہے.

(6) کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی اہم شکوک و شبہات نہیں ہیں.

(7) کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے، جیسا کہ اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں تفصیل سے بتایا گیا ہے۔

(8) کمپنی ایک منظور شدہ گریجویٹی فنڈ چلاتی ہے، جو گریجویٹی فنڈ ٹرسٹ کے زیر انتظام ہے، جس میں اس کے تمام ملازمین کا احاطہ کیا جاتا ہے جنہوں نے اپنی کوالیفائنگ مدت مکمل کر لی ہے۔ پروجیکٹ یونٹ کریڈٹ ایکچوریل کاسٹ میتھڈ) پی یو سی (اکاونٹنگ اندراجات کا حساب لگانے کے لئے استعمال کیا گیا تھا، جو طریقہ آئی اے ایس 19- کے تازہ ترین ورژن کے تحت لازمی ہے۔ اس اسکیم کی تازہ ترین ایکچوریل ویلیوایشن 30 جون 2022 کو کی گئی تھی۔ 30/6/2021 تک کل اثاثہ جات / سرمایہ کاری =/46,987,838 روپے تھی۔

بورڈ آف ڈائریکٹرز

ڈائریکٹرز کے انتخابات 3/12/2019 کو کمپنیز آرڈیننس، 1984 کے سیکشن 178 کی دفعات کے مطابق، 3/12/2019 سے شروع ہونے والی تین سال کی مدت کے لئے منعقد ہوئے تھے۔ 30 جون 2022 کو ختم ہونے والے مالیاتی سال کے دوران بورڈ آف ڈائریکٹرز کے مجموعی طور پر 5 اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کے ذریعہ شرکت کرنے والے اجلاسوں کی تعداد اس کے مقابل بیان کی گئی ہے:

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

کمپنی کے حصص میں مندرجہ ذیل تجارت اس کے ڈائریکٹرز، سی ای او، کمپنی کے سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں کی طرف سے رواں مالی سال کے دوران کی گئی تھی:

خریداریاں:

کاروائی کی تاریخ	خریدار	شیئرز کی تعداد	ماہیت	ریٹ/شیئر
9-11-2021	جناب محمد یونس نواب	257095	بونس	0
9-11-2021	جناب محمد عرفان نواب	272186	بونس	0
9-11-2021	مسز صبیحہ یونس	50760	بونس	0
9-11-2021	مسز افشاں عرفان	48565	بونس	0
9-11-2021	جناب ابراہیم یونس	29798	بونس	0
9-11-2021	جناب اسماعیل یونس	29798	بونس	0
9-11-2021	جناب محمد فیضان اللہ	24494	بونس	0
9-11-2021	مس عریج رفیق	320	بونس	0
17-02-2022	جناب ابراہیم یونس	2784	خریدے	60

اعتراف

ہم تمام اسٹیک ہولڈرز (اندرونی / بیرونی)، بینکوں، مالیاتی اداروں، متعلقہ وزارتوں اور ریگولیٹرز کو کمپنی کی ترقی کے لئے ان کی مسلسل حمایت کو ریکارڈ پر لانا چاہتے ہیں اور ان کا تہ دل سے تشکر کا اظہار کرتے ہیں۔ ہم عملے اور کارکنوں کی محنت، لگن اور وفاداری کا اعتراف کرتے ہیں جن کے بغیر مسلسل کامیابی کا حصول ممکن نہیں تھا۔ ہم آنے والے سالوں میں اسی عقیدت اور تعاون کے منتظر ہیں۔

منجانب بورڈ

(محمد عرفان نواب)
چیف ایگزیکٹو

(محمد فیضان اللہ)
ڈائریکٹر

کراچی: 05اکتوبر2022

Sana Industries Limited

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

Comparison with last year **Annexure A**

Covering period FROM	01-Jul-2021	01-Jul-2020	VARIATION	
TO	30-Jun-2022	30-Jun-2021	Amount	Percentage
Turnover - net	3,824.38	2,717.40	1,106.98	40.74%
Cost of Sales	3,460.06	2,369.50	1,090.57	46.03%
Gross Profit	364.32	347.90	16.42	4.72%
G.P.Rate to Sales	9.53%	12.80%		-3.27%
Administrative, Selling, Financial & Other expenses	264.16	228.72	35.44	15.50%
Other income	75.12	21.55	53.56	248.50%
Profit before tax	175.27	140.73	34.54	24.54%
Profit before tax Rate to Sales	4.58%	5.18%		
Provision for Taxation	43.73	63.37	(19.63)	-30.98%
Profit after Taxation	131.54	77.37	54.17	70.02%
Earning per share (before tax)	14.49	13.51	0.98	7.23%
Earning per share (after tax)	10.19	6.85	3.34	48.76%

Comparison with previous quarter **Annexure B**

Covering period FROM	01-Apr-2022	01-Jan-22	VARIATION	
TO	30-Jun-2022	31-Mar-22	Amount	Percentage
Turnover - net	1,037.46	1,011.37	26.09	2.58%
Cost of Sales	1,007.39	929.33	78.06	8.40%
Gross Profit	30.07	82.05	(51.98)	-63.35%
G.P.Rate to Sales	2.90%	8.11%		
Administrative, Selling, Financial & Other expenses	68.58	65.66	2.92	4.44%
Other income	56.91	11.83	45.08	381.07%
Profit before tax	18.41	28.21	(9.80)	-34.74%
Profit before tax Rate to Sales	1.77%	2.79%		
Earning per share (before tax)	1.52	3.08	(1.56)	-50.65%

Sara Industries Limited

Annexure "C"

COMPARISON OF BALANCE SHEET OF FOUR QUARTERS (CONSOLIDATED)

	1ST QUARTER 30-Sep-2021 Rupees	2ND QUARTER 31-Dec-2021 Rupees	3RD QUARTER 31-Mar-2022 Rupees	4TH QUARTER 30-Jun-2022 Rupees
ASSETS				
NON CURRENT ASSETS				
Property, Plant and equipments	490,409,226	560,778,505	700,472,211	748,034,155
Right to use asssers	56,442,321	51,795,571	47,148,821	42,580,955
Intangibles	-	-	-	806,667
Long-term deposits	2,756,051	2,756,051	2,756,051	2,756,051
Long-term advances	-	22,407,800	14,411,000	1,951,000
Deferred tax asset - net	23,409,233	20,941,131	27,050,265	42,229,752
	573,016,831	658,679,058	791,838,348	838,358,580
CURRENT ASSETS				
Stock-in-trade / Stores and spares	302,095,113	423,106,982	454,348,760	461,576,396
Short term investment	49,272,832	18,664,856	15,881,755	17,589,319
Trade debts- unsecured, considered good	694,331,312	662,833,386	624,386,210	612,794,092
Advances	19,960,068	40,090,123	36,764,036	20,539,433
Trade Deposits and pre-payments and other receivables	38,097,271	17,901,651	287,636,243	3,293,268
Other receivables	-	-	-	20,186,543
Taxation - net	184,931,317	124,020,818	131,801,007	139,338,723
Cash and bank balances	92,289,577	62,620,729	82,659,853	55,319,958
	1,380,977,490	1,349,238,545	1,633,477,864	1,330,637,732
TOTAL ASSETS	1,953,994,321	2,007,917,603	2,425,316,212	2,168,996,312
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share Capital	110,000,000	121,000,000	121,000,000	121,000,000
Reserves	442,613,198	473,614,414	485,697,019	483,686,150
Attributiable to equity holders of the parent	552,613,198	594,614,414	606,697,019	604,686,150
Non-controlling interest	48,740,579	50,588,431	55,028,632	53,567,671
	601,353,777	645,202,845	661,725,651	658,253,821
NON CURRENT LIABILITIES				
Long term financing	33,950,049	64,361,484	160,312,807	111,585,135
Lease Liability	58,230,509	55,431,554	59,895,155	40,287,420
Deffered Liabilities	107,590,917	108,365,469	100,765,648	122,321,952
	199,771,475	228,158,507	320,973,610	274,194,507
CURRENT LIABILITIES				
Trade and other payables	357,962,369	311,251,034	603,125,350	314,239,980
Advances from Customers	17,879,210	12,507,518	63,332,049	57,058,322
Accrued profit on Murabaha/Mushareka arrangements	9,714,201	10,947,580	21,732,946	18,045,663
Loans from directors and associates	60,665,000	58,905,000	55,915,516	65,055,000
Current portion of long term financing	107,154,890	98,963,278	74,055,112	73,958,568
Current maturity of lease liability	18,088,121	21,423,490	12,393,173	33,859,137
Current maturity of deferred government grant	2,202,584	3,438,487	1,012,654	6,326,048
Unclaimed dividend	1,877,676	1,933,849	2,000,135	1,996,426
Short term arrangements	577,325,018	607,272,686	597,180,023	660,441,857
Current portion of the provision for gas infrastructure Development Cess	-	7,913,329	11,869,993	-
Provident Fund payable	-	-	-	4,399,561
Taxation - net	-	-	-	1,167,422
	1,152,869,069	1,134,556,251	1,442,616,951	1,236,547,984
CONTINGENCIES AND COMMITMENTS	-	-	-	-
TOTAL EQUITY AND LIABILITIES	1,953,994,321	2,007,917,603	2,425,316,212	2,168,996,312
Debt Equity Ratio	24.94%	26.12%	32.66%	29.41%
Current Ratio	1.2	1.19	1.13	1.08

Sana Industries Limited "Annexure D"

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

	1ST QUARTER 30-Sep-2021 Rupees	2ND QUARTER 31-Dec-2021 Rupees	3RD QUARTER 31-Mar-2022 Rupees	4TH QUARTER 30-Jun-2022 Rupees	Y.T.D. 30-Jun-2022 Rupees
Turnover-net	846,491,107	929,051,824	1,011,374,708	1,037,462,954	3,824,380,593
Cost of sales	(748,619,285)	(774,725,527)	(929,328,418)	(1,007,388,432)	(3,460,061,662)
Gross profit	97,871,822	154,326,297	82,046,290	30,074,522	364,318,931
G.P.Rate	11.56%	16.61%	8.11%	2.90%	9.53%
General and administration expenses	(26,218,914)	(27,411,433)	(29,829,476)	(16,969,551)	(100,429,374)
Selling and distribution expenses	(7,737,823)	(7,926,061)	(3,570,207)	(8,185,310)	(27,419,401)
Other operating expenses	(4,027,866)	(5,924,136)	(970,694)	(5,882,602)	(16,805,298)
Operating profit	59,887,219	113,064,667	47,675,913	(962,941)	219,664,858
Other income	1,284,323	5,093,883	11,826,034	56,911,056	75,115,296
Finance cost	(22,813,620)	(27,870,723)	(31,287,028)	(37,537,917)	(119,509,288)
Profit for the period before taxation	38,357,922	90,287,827	28,214,919	18,410,198	175,270,866
Provision for taxation - current	(6,579,162)	(29,938,760)	(3,198,179)	(1,595,914)	(43,732,981)
Profit / Loss after taxation	31,778,760	60,349,067	25,016,740	16,814,284	131,537,885
Earning per share before taxation	2.58	4.83	3.08	1.52	14.49
Earning per share after taxation (Attributable to Shareholders of the Holding Company)					10.19

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-2022	Jun-2021	Jun-2020	Jun-2019	Jun-2018	Jun-2017
OPERATING RESULTS						
Turnover - Net	2,631	2,129	1,419	2,002	1,706	1,660
Gross profit	305	263	88	198	116	40
Operating expenses	105	102	79	76	59	41
Operating Profit / (Loss)	199	162	9	127	102	(1)
Financial charges	96	60	75	63	46	44
Profit / (Loss) before tax	173	137	(43)	80	61	(45)
Taxation	46	42	12	15	42	17
Profit / (Loss) after tax	128	95	(31)	65	19	(28)
FINANCIAL POSITION						
Paid-up Capital	121	110	86	86	86	86
Retained earnings	477	403	264	317	269	238
Total equity	598	513	346	401	366	324
Long term loans	126	60	72	45	71	137
Deferred Liabilites	122	106	68	54	10	13
Current liabilities	955	807	675	721	624	683
Total assets	1,802	1,485	1,161	1,185	1,069	1,153
Fixed assets (Gross)	1,438	1,139	1,184	1,127	1,082	1,135
Accumulated depreciation	805	742	738	663	590	539
Fixed assets (Net)	633	397	447	464	493	596
Long term investment	95	95	35	35	35	5
Long term deposits	3	3	3	3	3	1
Deferred tax assets	13	13	6	0	0	0
Current assets	1,059	977	671	683	536	551
RATIOS						
Fixed Assets Turnover	4.15	5.36	3.18	4.31	3.46	2.79
Trade Debts (days)	51	62	44	31	43	26
Inventory turnover (times)	7.30	8.44	6.41	9.24	7.76	7.02
Inventory turnover (days)	50	43	57	40	47	52
Sales growth %	24%	50%	-29%	17%	3%	-7%
Gross profit margin %	12%	12%	6%	10%	7%	2%
Total charges as % to sales	8%	8%	11%	7%	6%	5%
Net profit before tax % to sales	7%	6%	-3%	4%	4%	-3%
Tax rate (Effective) %	29%	29%	29%	29%	30%	31%
Net profit after tax (% to sales)	5%	4%	-2%	3%	1%	-2%
Return on Equity % (after tax)	21.44%	18.48%	-9.10%	16.26%	5.10%	-8.52%
Earning per share pre-tax	14.30	13.17	(5.04)	9.28	7.07	(5.24)
Earning per share after tax	10.60	9.10	(3.66)	7.59	2.17	(3.21)
Break-up value per share	49.44	46.62	40.20	46.67	42.63	34.04
Debt Equity Ratio	29:71	24:76	29:71	20:80	18:82	37:63
Current Ratio	1.10	1.21	0.99	0.95	0.86	0.81
Quick Ratio	0.69	0.91	0.70	0.65	0.58	0.46
DISTRIBUTION						
Dividend per share Rs.	2.50	2.50	Nil	2.50	2.00	Nil
Stock Dividend	0%	10%	Nil	Nil	Nil	Nil
Dividend payout	24%	34%	0%	33%	92%	0%

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company: **Sana Industries Limited**
Year ending**: 30th June, 2022**

The company has complied with the requirements of the Regulations in the following manner:-
1. The total number of directors are ____ as per the following,-

Male:	06
Female:	01

2. The composition of the Board is as follows:

Independent directors	Mr. Mohammad Ashfaq Ms. Areej Rafiq (Female)
Non-Executive directors	Mr. Mohammad Younus Nawab Mr. Ibrahim Younus Mr. Ismail Younus
Executive directors	Mr. Mohammad Irfan Nawab Mr. Mohammad Faizan Ullah

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

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

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

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 Act and these 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. the board have a formal policy and transparent procedure for remuneration of directors in accordance with the companies Act, 2017 and the Regulation:

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. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

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

Audit Committee	
Mr. Mohammad Ashfaq	Chairman
Mr. Mohammad Younus Nawab	Member
Mr. Ismail Younus	Member
Mr. Syed Amjad Ahmed	Secretary
HR and Remuneration Committee	
Ms. Areej Rafiq	Chairman
Mr. Mohammad Faizanullah	Member
Mr. Ismail Younus	Member
Mr. Syed Amjad Ahmed	Secretary

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-

Audit Committee	Quarterly
HR and Remuneration Committee	Annual

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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent

children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

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

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

For Sana Industries Limited

(Chairman)
Dated: 5th October 6, 2022

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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, 2022** 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, 2022.**

Rahman

Karachi.

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Date: October 6, 2022
UDIN: CR202210213O5yrGVd1s

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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 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, 2022**, 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, 2022 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

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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

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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

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 06, 2022
UDIN: AR2022102130ZSqGm5jJ

Sana Industries Limited

Unconsolidated Statement of Financial Position

As at June 30, 2022

	Note	2022	2021
ASSETS		**Rupees**	
Non- current assets			
Property, plant and equipment	4	**569,444,924**	321,243,043
Right-of-use assets	5	**19,975,750**	23,970,900
Investment property	6	**43,799,684**	52,239,813
Investment in subsidiaries	7	**94,999,990**	94,999,990
Long term deposits and prepayments	8	**2,756,051**	2,756,051
Deferred taxation-net	9	**12,763,624**	13,360,749
		743,740,023	508,570,546
Current assets			
Stock-in-trade	10	**396,127,934**	240,450,223
Stores and spares		**9,479,354**	6,697,215
Trade debts - unsecured	11	**446,660,346**	441,291,605
Loans and advances	12	**16,136,375**	35,758,481
Trade deposits and short term prepayments	13	**1,755,507**	1,940,484
Short term investments	14	**2,664,319**	26,722,832
Other receivables	15	**77,253,189**	44,803,027
Tax refunds due from government	16	**80,246,305**	80,600,473
Cash and bank balances	17	**28,224,761**	98,496,842
		1,058,548,090	976,761,182
Total assets		**1,802,288,113**	1,485,331,728
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
20,000,000 (2021: 20,000,000) ordinary shares of Rs 10/- each		**200,000,000**	200,000,000
Issued, subscribed and paid up capital	18	**121,000,000**	110,000,000
Capital reserves			
Share premium		**96,250,000**	96,250,000
Revenue reserves			
General reserve		**132,500,000**	132,500,000
Unappropriated profits		**248,486,285**	174,056,923
		380,986,285	306,556,923
		598,236,285	512,806,923
Non-current liabilities			
Lease liability	19	**22,908,555**	24,774,275
Long term financing	20	**103,487,765**	35,652,805
Deferred liabilities	21	**122,321,954**	105,536,566
		248,718,274	165,963,646
Current liabilities			
Short term borrowings	22	**585,452,549**	525,806,494
Trade and other payables	23	**277,447,727**	191,715,008
Loan from directors and sponsors	24	**3,500,000**	6,660,000
Accrued markup	25	**16,917,764**	9,381,038
Current maturity of lease liability	19	**6,279,360**	5,708,856
Current portion of long term financing	26	**57,678,412**	63,625,801
Current maturity of deferred government grant	21	**6,061,316**	1,786,286
Unclaimed dividend		**1,996,426**	1,877,676
		955,333,554	806,561,159
Contingencies and commitments	27		
Total equity and liabilities		**1,802,288,113**	1,485,331,728

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, 2022

	Note	2022	2021
		Rupees	
Gross Revenue	*28*	**3,093,948,555**	2,516,001,295
Less: Sales tax		**(461,411,479)**	(381,984,683)
Commissions and discounts		**(1,939,538)**	(5,017,211)
Sales revenue - net		**2,630,597,538**	2,128,999,401
Cost of sales	*29*	**(2,324,885,585)**	(1,871,985,087)
Gross profit		**305,711,953**	257,014,314
Administrative expenses	*30*	**(75,556,479)**	(69,854,745)
Distribution expenses	*31*	**(15,164,912)**	(15,021,954)
Other operating expenses	*32*	**(15,112,335)**	(10,553,454)
		(105,833,726)	(95,430,153)
Operating profit		**199,878,227**	161,584,161
Other income	*33*	**70,130,178**	36,057,206
Finance costs	*34*	**(96,148,513)**	(60,473,301)
		(26,018,335)	(24,416,095)
Profit / (loss) before taxation		**173,859,892**	137,168,066
Taxation	*35*	**(45,570,949)**	(42,389,340)
Profit / (loss) after taxation		**128,288,943**	94,778,726
Earnings / (loss) per share - basic and diluted	*36*	**10.60**	9.10

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, 2022

	2022	2021
	Rupees	
Profit / (loss) after taxation	**128,288,943**	94,778,726
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Actuarial gain / (loss) on remeasurement of defined benefit obligation	**(11,562,790)**	6,455,887
Deferred tax on above	**3,353,209**	(1,872,207)
	(8,209,581)	4,583,680
Total comprehensive income / (loss) for the year	**120,079,362**	99,362,406

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, 2022

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves General reserve	Revenue reserves Unappropriated profits	Total
	Rupees				
Balance as at June 30, 2020	85,937,500	-	132,500,000	127,064,474	345,501,974
Recognition of the provision for Gas Infrastructure Development Cess (GIDC)	-	-	-	(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 loss for the year ended June 30, 2020					
- Profit after taxation	-	-	-	94,778,726	94,778,726
- Other comprehensive income	-	-	-	4,583,680	4,583,680
	-	-	-	99,362,406	99,362,406
Transaction with owners:					
Right shares issued during the year	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
Total comprehensive loss for the year ended June 30, 2022					
- Profit after taxation	-	-	-	**128,288,943**	**128,288,943**
- Other comprehensive income	-	-	-	**(8,209,581)**	**(8,209,581)**
	-	-	-	**120,079,362**	**120,079,362**
Transaction with owners:					
Final dividend paid for the year ended June 30, 2021 @ Rs. 1.5/- per share	-	-	-	**(16,500,000)**	**(16,500,000)**
Bonus shares @ 10% for the year ended June 30, 2021	**11,000,000**	-	-	**(11,000,000)**	-
Dividend paid for the half year ended December 31, 2021 @ Rs 1.5/- per share	-	-	-	**(18,150,000)**	**(18,150,000)**
	11,000,000	-	-	**(45,650,000)**	**(34,650,000)**
Balance as at June 30, 2022	**121,000,000**	**96,250,000**	**132,500,000**	**248,486,285**	**598,236,285**

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, 2022

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		---- Rupees ----	
Profit / (loss) before taxation		**173,859,893**	137,168,066
Adjustments for:			
- Depreciation on property, plant and equipment		**66,068,055**	66,160,345
- Depreciation on right-of-use assets		**3,995,150**	3,995,150
- Depreciation on investment property		**10,384,190**	10,452,096
- Provision for staff retirement benefits		**10,869,749**	9,632,701
- Provision for gas rate difference		**14,665,912**	4,535,033
- Provision for Workers' Profit Participation Fund		**9,448,611**	7,366,706
- Provision for Workers' Welfare Fund		**3,596,811**	2,799,348
- Unrealised loss on re-measurement of short term investments		**-**	37,400
- Gain on sale of operating fixed assets		**(12,617,848)**	(7,732,213)
- Gain on re-measurement of Gas Infrastructure Development Cess		**(27,246,733)**	-
- Amortization of deferred government grant		**(5,255,947)**	(3,316,128)
- Reversal of provision for expected credit losses		**(1,030,240)**	-
- Dividend income		**(1,155,725)**	(64,327)
- Profit on bank deposits		**(2,290,869)**	(1,208,889)
- Increase in provision for expected credit losses		**2,066,913**	350,000
- Finance costs		**96,148,513**	60,473,301
		167,646,542	153,480,523
Cash generated from operating activities before working capital changes		**341,506,435**	290,648,589
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
- Stock-in-trade		**(155,677,711)**	(38,956,570)
- Stores and spares		**(2,782,139)**	131,407
- Trade debts		**(7,435,654)**	(193,735,371)
- Loan and advances		**19,622,106**	5,826,910
- Trade deposits and short term prepayments		**184,977**	(224,769)
- Other receivables		**(32,450,162)**	(28,608,775)
- Sales tax refundable		**1,120,153**	(2,046,752)
Increase / (decrease) in current liabilities			
- Trade and other payables		**67,430,888**	(19,465,062)
		(109,987,542)	(277,078,982)
Cash generated from operations		**231,518,893**	13,569,607
- Income tax refund received during the year		**-**	17,281,453
- Income tax paid		**(41,392,761)**	(27,689,089)
- Contribution to staff retirement benefits fund		**(5,000,000)**	(3,200,000)
- Compensated absences paid		**(708,577)**	-
- Payment of Workers' Welfare Fund		**(7,367,706)**	-
- Payment of Workers' Profit Participation Fund		**(2,799,348)**	(3,239,496)
- Finance cost paid		**(66,454,383)**	(67,678,369)
Net cash (used in) / generated from operating activities		**107,796,118**	(70,955,894)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(314,325,836)**	(37,937,546)
Acquisition of investment property		**(1,944,061)**	-
Short term investments made		**(24,478,962)**	(25,054,677)
Short term investments disposed off		**48,574,876**	-
Investment in subsidiary		**-**	(59,999,990)
Dividend received		**1,155,725**	64,327
Profit received		**2,290,869**	1,208,889
Proceeds from disposal of operating fixed assets		**12,673,750**	14,116,370
Net cash used in investing activities		**(276,053,639)**	(107,602,627)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received against musharaka facility		**10,386,400**	14,179,200
Repayment of long term musharaka		**(29,460,520)**	(9,963,757)
Loan received against SBP Refinance facility for payment of wages and salaries		**-**	20,280,179
Repayment of loan against SBP Refinance facility for payment of wages and salaries		**(31,688,564)**	(15,326,996)
Islamic temporary economic refinance obtained		**133,821,560**	-
Repayment of loan against Islamic temporary economic refinance		**(1,466,321)**	-
Repayment of lease liability (principal repayment)		**(5,561,920)**	(1,477,917)
Short term borrowings - net		**59,646,055**	113,595,904
Proceeds from issue of right shares		**-**	120,312,500
Loan received from directors and sponsors		**16,000,000**	49,250,000
Loan repaid to directors and sponsors		**(19,160,000)**	(58,500,000)
Dividend paid		**(34,531,250)**	(8,606,084)
Net cash generated from / (used in) financing activities		**97,985,440**	223,743,029
Net increase in cash and cash equivalents		**(70,272,081)**	45,184,508
Cash and cash equivalents at the beginning of the year		**98,496,842**	53,312,333
Cash and cash equivalents at the end of the year		**28,224,761**	98,496,841

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

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2022

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 a	*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, 2022.*

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:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. 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 1 January 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 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 This amendment enables the fair value measurement of biological assets on a post-tax basis.

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

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
-	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

(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 funded 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

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 accrued lease payments relating to the original lease as part of the lease payments for the new lease.

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

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.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	**2022**	2021
		Rupees	
Operating fixed assets	*4.1*	**550,070,507**	321,243,043
Capital work in progress	*4.2*	**19,374,417**	-
		569,444,924	321,243,043

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, 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
Movement during the year ended June 30, 2022												
Opening 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**
Additions	**-**	**-**	**5,009,318**	**3,849,500**	**-**	**204,004,718**	**-**	**2,294,332**	**-**	**34,082,608**	**710,943**	**249,951,419**
Transferred from CWIP	**-**	**-**	**42,268,538**	**-**	**-**	**-**	**-**	**2,731,462**	**-**	**-**	**-**	**45,000,000**
Disposals:												
Cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9,872,175)**	**(64,500)**	**(9,936,675)**
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,872,175**	**8,600**	**9,880,775**
										-	**(55,900)**	**(55,900)**
Depreciation for the year	**-**	**-**	**(4,359,504)**	**(2,178,206)**	**(265,010)**	**(52,008,596)**	**(978,762)**	**(992,088)**	**-**	**(5,006,092)**	**(279,797)**	**(66,068,055)**
Closing net book value	**5,282,619**	**5,000,000**	**57,957,168**	**15,535,765**	**432,387**	**407,044,549**	**4,207,616**	**7,594,650**	**10**	**45,961,994**	**1,053,749**	**550,070,507**
As at June 30, 2022												
Cost	**5,282,619**	**5,000,000**	**127,437,880**	**36,474,972**	**12,819,637**	**970,330,762**	**10,438,561**	**15,886,163**	**311,295**	**60,146,588**	**2,913,599**	**1,247,042,076**
Accumulated depreciation	**-**	**-**	**(69,480,712)**	**(20,939,207)**	**(12,387,250)**	**(563,286,213)**	**(6,230,945)**	**(8,291,513)**	**(311,285)**	**(14,184,594)**	**(1,859,850)**	**(696,971,569)**
Net book value	**5,282,619**	**5,000,000**	**57,957,168**	**15,535,765**	**432,387**	**407,044,549**	**4,207,616**	**7,594,650**	**10**	**45,961,994**	**1,053,749**	**550,070,507**
Annual rate of depreciation			**10%**	**10%**	**10%**	**10%**	**10%**	**10%**	**10%**	**20%**	**20%**	

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

Location	Usage of Immovable Property	Area
SF-96, S/I.T.E, Karachi	Warehouse	11,250 squre feets
Hub Industrial Trading Estate, Balochistan	Mill	85,703 square metres

4.1.2 Depreciation for the year has been allocated as under :

	Note	2022	2021
		Rupees	
Manufacturing expense	*29*	**37,083,588**	37,511,924
Fuel and power	*29.3*	**15,525,925**	15,522,158
Administration expenses	*30*	**6,863,086**	4,981,660
Other income	*33*	**6,595,456**	8,144,603
		66,068,055	66,160,345

4.2 **Capital work-in-progress**

	2022	2021
Opening balance	**-**	-
Additions during the year		
- Machinery	**18,182,630**	-
- Civil works	**46,191,787**	-
	64,374,417	-
Less: Transferred to operating fixed assets	**(45,000,000)**	-
Closing balance	**19,374,417**	-

5. **RIGHT-OF-USE ASSET**

	2022	2021
Opening book value	**23,970,900**	27,966,050
Add: Effect of the initial application of IFRS 16	**-**	-
	23,970,900	27,966,050
Less: Depreciation for the year	**(3,995,150)**	(3,995,150)
	19,975,750	23,970,900
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, 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
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
Movement during the year ended June 30, 2022			
Opening net book value	**6,812,875**	**45,426,938**	**52,239,813**
Additions	**-**	**1,944,061**	**1,944,061**
Depreciation for the year	**-**	**(10,384,190)**	**(10,384,190)**
Closing net book value	**6,812,875**	**36,986,809**	**43,799,684**
As at June 30, 2022			
Cost	**6,812,875**	**140,601,867**	**147,414,742**
Accumulated depreciation	**-**	**(103,615,058)**	**(103,615,058)**
	6,812,875	**36,986,809**	**43,799,684**
Depreciation rate (per annum)	**-**	**10%**	

6.1 Investment property includes leasehold land and buildings thereon (warehouse), 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. MYK Associates (Private) Limited on September 19, 2022. As per that valuation report, the fair value and forced sales value of the property were as follows:

	Fair value	Forced sales value
	Rupees	
Leasehold land	**128,400,000**	**109,140,000**
Building on leasehold land	**229,917,450**	**195,429,833**
	358,317,450	**304,569,833**

7. INVESTMENT IN SUBSIDIARIES - At cost

			Note	2022	2021
				Rupees	
3,500,000	3,500,000	Sana Logistics (Private) Limite	*7.1*	**35,000,000**	35,000,000
5,999,999	5,999,999	Sana Distributors (Private) Lim	*7.2*	**59,999,990**	59,999,990
9,499,999	9,499,999			**94,999,990**	94,999,990

7.1 Investment in Sana Logistics (Private) Limited

As at June 30, 2022, the Company held 3,500,000 (2021: 3,500,000) ordinary shares of M/s. Sana Logistics (Private) Limited (SLPL) which gives the Company 70% (2021: 70%) voting power in SLPL. The principal business activity of SLPL is to provide 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, 2022, the summarized financial information of M/s. Sana Logistics (Private) Limited is as under:

	2022	2021
	Rupees	
Current assets	**133,688,411**	131,510,948
Non-current assets	**198,578,937**	242,470,773
Current liabilities	**189,516,706**	205,891,766
Non-current liabilities	**48,905,446**	66,597,317
Revenue-net	**284,928,242**	274,146,047
(Loss) / profit after tax for the year	**(7,647,444)**	(20,594,235)
Total comprehensive (loss) / income for the year	**(7,647,444)**	(20,594,235)

7.2 Investment in Sana Distributors (Private) Limited

As at June 30, 2022, the Company held 5,999,999 (2021: 5,999,999) ordinary shares of M/s. Sana Distributors (Private) Limited (SDPL) which gives the Company 99.99% (2021: 99.99%) 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

	2022	2021
	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

	2022				
	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	26,549,672	6,720,374	-	-	33,270,046
- Islamic Temporary Economic Refinance Facility	-	7,291,455	-	-	7,291,455
Deferred tax assets arising from:					
- Minimum tax	(8,843,827)	(5,166,330)	-	-	(14,010,157)
- Provision for staff retirement benefits	(10,058,221)	(1,702,226)	(3,353,209)	-	(15,113,656)
- Gas infrastructure cess liability	(20,139,375)	5,792,697	-	-	(14,346,678)
- Allowance for expected credit losses	(319,000)	(300,635)	-	-	(619,635)
- Lease liability - net	(729,953)	(782,981)	-	-	(1,512,934)
- Deferred government grant	469,427	(8,204,502)	-	-	(7,735,075)
- Re-financing Scheme for salaries and wages	(289,472)	302,482	-	-	13,010
	(13,360,749)	3,950,334	(3,353,209)	-	(12,763,624)

	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	-	469427	-	-	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)

	Note	**2022**	2021
		Rupees	
10. STOCK IN TRADE			
Raw materials			
- in hand		**122,879,324**	141,019,643
- in transit		**66,481,191**	8,686,960
		189,360,515	149,706,603
Packing materials		**4,951,494**	5,104,695
Work in process		**27,994,064**	13,904,366
Finished goods		**173,477,436**	70,631,209
Waste materials		**344,425**	1,103,350
		396,127,934	240,450,223
11. TRADE DEBTS - Unsecured			
Trade debts - gross		**448,797,019**	442,391,605
Less: provision for expected credit losses	*11.1*	**(2,136,673)**	(1,100,000)
Trade debts - net		**446,660,346**	441,291,605
11.1 Movement in provision for doubtful debts			
Balance at the beginning of the year		**1,100,000**	750,000
Reversal during the year		**(1,030,240)**	-
Charge recognized during the year	*32.*	**2,066,913**	350,000
Balance at the end of the year		**2,136,673**	1,100,000

12. LOANS AND ADVANCES

	Note	2022	2021
		Rupees	
Loans to employees	12.1	**7,581,074**	5,395,276
Advances:			
- to contractors		**215,000**	120,000
- to suppliers		**8,340,301**	29,630,705
- to employees		**-**	612,500
		8,555,301	30,363,205
		16,136,375	35,758,481

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.

13. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2022	2021
		Rupees	
Deposits		**1,126,408**	886,408
Prepayments		**629,099**	1,054,076
		1,755,507	1,940,484

14. SHORT TERM INVESTMENTS

	Note	2022	2021
Investment in Habib Islamic Investment Certificate	14.1	**1,705,555**	1,705,555
Investment in units of mutual funds	14.2	**958,764**	25,017,277
		2,664,319	26,722,832

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

2022	2021	Fund name	2022 Cost	2022 Fair value	2021 Cost	2021 Fair value
-- (Number of units) --			Rupees			
3,028	125,136	Faysal Islamic Cash Fund	**302,766**	**302,766**	12,513,594	12,513,594
-	124,342	First Habib Islamic Income Fund	**-**	**-**	12,541,084	12,503,683
6,560	-	Al Habib Islamic Saving Funds	**655,998**	**655,998**	-	-
9,588	249,478		**958,764**	**958,764**	25,054,678	25,017,277

15.	OTHER RECEIVABLES	Note	2022	2021
			Rupees	
	Receivable from Sana Logistics (Private) Limited	*15.1*	**73,495,849**	40,578,993
	Receivable from Sana Distributors (Private) Limited	*15.2*	**344,975**	1,512,229
	Others		**3,412,365**	2,711,805
			77,253,189	44,803,027

15.1 Receivable from Sana Logistics (Private) Limited

	2022	2021
Rent	**63,936,000**	31,968,000
Receivable in respect of expenses	**9,559,849**	8,610,993
	73,495,849	40,578,993

15.1.1 The maximum amount due from M/s. Sana Logistics (Private) Limited during the year (by reference to month-end balances) was Rs. 73.495 million (2021: Rs. 40.578 million).

15.1.2 As of the reporting date, the ageing analysis of the above amounts due was as follows:

	2022		2021	
	Gross amount receivable	**Provision for expected credit losses**	Gross amount receivable	Provision for expected credit losses
		Rupees		
Past due 1 day - 30 days	**811,656**	**-**	3,699,756	-
Past due 31 days - 180 days	**13,519,312**	**-**	17,146,098	-
Past due 181 days - 1 year	**18,585,887**	**-**	19,733,139	-
Past due for over one year	**40,578,993**	**-**	-	-
	73,495,848	-	40,578,993	-

15.2 Receivable from Sana Distributors (Private) Limited

15.2.1 The maximum amount due from M/s. Sana Distributors (Private) Limited during the year (by reference to month-end balances) was Rs. 1.463 million (2021: Rs. 1.512 million).

15.2.2 As of the reporting date, the ageing analysis of the above amount due was as follows:

	2022		2021	
	Gross amount receivable	**Provision for expected credit losses**	Gross amount receivable	Provision for expected credit losses
		Rupees		
Not past due	**-**	**-**	-	-
Past due 1 day - 30 days	**344,975**		243,300	
Past due 31 days - 180 days	**-**		1,268,929	
	344,975	-	1,512,229	-

16.	TAX REFUNDS DUE FROM GOVERNMENT	2022	2021
		Rupees	
	Income tax refundable	**56,387,560**	55,621,575
	Sales tax refundable	**23,858,745**	24,978,898
		80,246,305	80,600,473

17.	**CASH AND BANK BALANCES**	Note	**2022**	2021
			Rupees	
	Cash in hand		**2,377,846**	1,395,971
	Cash at bank:			
	- Balance held in current accounts		**15,605,841**	17,829,311
	- Balance held in saving accounts	*17.1*	**10,241,074**	54,271,560
	- Term Deposit Receipt (TDR)		**-**	25,000,000
			25,846,915	97,100,871
			28,224,761	98,496,842

17.1 These carry profit at the rates ranging between 6% to 10% (2021: 2.84% to 4%) per annum.

18. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021		**2022**	2021
No. of shares		Ordinary shares of Rs. 10/- each issuec	Rupees	
6,406,250	6,406,250	- for cash	**64,062,500**	64,062,500
5,693,750	4,593,750	- as bonus shares	**56,937,500**	45,937,500
12,100,000	11,000,000		**121,000,000**	110,000,000

18.1 During the year, the Company at their board of directors meeting held on October 05, 2021, passed a resolution to issue bonus shares in proportion of 1 share for every 10 shares held, i.e. 10%.

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

19.	**LEASE LIABILITY**	Note	**2022**	2021
			Rupees	
	Opening balance		**30,483,131**	31,961,048
	Payments made during the year		**(5,561,920)**	(5,956,150)
	Finance charges	34	**4,266,704**	4,478,233
			29,187,915	30,483,131
	Less: Current maturity shown under current liabilities		**(6,279,360)**	(5,708,856)
	Closing balance		**22,908,555**	24,774,275

20. LONG TERM FINANCING
From a banking company

		Note	2022	2021
	Diminishing Musharaka	*20.1*	**8,208,862**	27,374,381
	SBP Refinance Scheme for Payment of Salaries and Wages	*20.2*	**-**	8,278,424
	Islamic Temporary Economic Refinance Facility (ITERF)	*20.3*	**95,278,903**	-
			103,487,765	35,652,805

20.1 *Long term Musharaka under shariah arrangement*

		Note	2022	2021
	- Habib Metropolitan Bank Limited	*20.1.1*	**27,374,431**	56,279,551
	- Bank Al Habib Limited	*20.1.2*	**9,831,000**	-
	- Less: current maturity shown under current liabilities	*26*	**(28,996,569)**	(28,905,170)
			8,208,862	27,374,381

20.2	*Financing under SBP Refinance Scheme for Payment of Salaries and Wages*	*Note*	**2022**	2021
			Rupees	
	Balance at the beginning of the year		**42,999,055**	37,047,692
	Add: Loan obtained during the year		-	20,280,179
	Less: Element of government grant recognized as deferred income		-	(1,697,414)
			-	18,582,765
	Add: Interest accrued during the year		**3,971,644**	4,451,339
	Less: Installments paid during the year		**(31,688,564)**	(17,082,741)
			15,282,135	42,999,055
	Less: Current portion shown under current liabilities	*26*	**(15,282,135)**	(34,720,631)
			-	8,278,424

20.2.1 The Company has obtained a long term financing facility amounting to Rs. 61.308 million from M/s. Habib Metropolitan Bank Limited 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 are as follows:

(a) The applicable markup rate is 3% per annum (2021: 3% per annum);

(b) The tenor of the each tranche of the facility is 2.5 years (including 6-month grace period commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 8 equal quarterly instalments.

Since the facility carries an interest rate which is well below the market interest rate prevailing as on the date of disbursement of funds, in accordance with Circular 11 of 2020 dated August 17, 2020 issued by the Institute of Chartered Accountants of Pakistan (ICAP), the financing is considered to contain an element of government grant as per the IAS 20 '*Accounting for Government Grants and Disclosure of Government Assistance*' . Accordingly, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value as deferred income in the statement of financial position. This deferred income is being recognized as other income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

20.3	**Financing under Islamic Temporary Economic Refinance Facility (ITERF)**	*Note*	**2022**	2021
			Rupees	
	Loan proceeds received from Bank Al Habib Ltd	*20.3.1*	**90,565,800**	-
	Loan proceeds received from Dubai Islamic Bank Ltd	*20.3.2*	**43,255,760**	
			133,821,560	-
	Less: Element of government grant recognised as deferred income		**(29,567,217)**	-
			104,254,343	-
	Interest recognized on unwinding of the liability		**5,890,589**	-
	Interest paid during the year		**(1,466,321)**	-
			108,678,611	-
	Less: Current portion shown under current liabilities	*20.3*	**(13,399,708)**	-
			95,278,903	-

20.3.1 During the year, the Company obtained a long-term financing facility amounting to Rs. 90.565 million from M/s. Bank Al Habib Limited (BAHL) under the SBP's Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 of 2020 dated March 17, 2020 in order to meet company's Capital expenditure requirement.

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 5% per annum;

(b) The tenor of the each tranche of the facility is 7 years (including 1-year moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 24 equal quarterly instalments.

(d) The arrangement is secured against the following:

- Registered exclusive hypothecation charge over specific plant and machinery amounting to Rs 187.50 million;

- Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab.

- Equitable mortgage over land, building and plant and machinery amounting to Rs. 551.4 million over survey 54 , located at Kemari Town.

- Interim comfort security over survey 53 and 55, located at Kemari Town.

20.3.2 During the year, the Company obtained a long-term financing facility amounting to Rs. 43.225 million from M/s. Dubai Islamic Bank Limited (DIB) under the SBP's Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 of 2020 dated March 17, 2020 in order to meet company's Capital expenditure requirement.

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 5% per annum;

(b) The tenor of the each tranche of the facility is 7 years (including 1-year moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 24 equal quarterly instalments.

(d) The arrangement is secured against the first pari passu charge over machinery.

20.3.3 Since the facilities carries the markup rate of 5% which is well below the market interest rate prevailing as on the date of disbursement of funds, therefore, in accordance with technical opinion issued by the Accounting Standards Board of the Institute of Chartered Accountants of Pakistan (ICAP) in November 2020, the financing is considered to contain an element of government grant as per the IAS 20 *'Accounting for Government Grants and Disclosure of Government Assistance'.* Accordingly, at initial recognition, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the banks and the said fair value, as deferred government grant in the statement of financial position. This deferred grant is being recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

21.	**DEFERRED LIABILITIES**	*Note*	**2022**	2021
			Rupees	
	Deferred government grant	*21.1*	**20,611,356**	575,113
	Provision for compensated absences	*21.2*	**123,238**	831,815
	Staff retirement benefits- defined benefit plan (gratuity)	*21.3*	**52,116,056**	34,683,517
	Provision for Gas Infrastructure Development Cess	*21.4*	**49,471,304**	69,446,121
			122,321,954	105,536,566

21.1 Deferred government grant

	Note	2022	2021
		Rupees	
Opening balance		**2,361,402**	3,980,113
Add: Element of government grant for the year	*20.3*	**29,567,217**	1,697,414
Less: Amortization of government grant for the year		**(5,255,947)**	(3,316,128)
		24,311,270	(1,618,714)
		26,672,672	2,361,399
Less: Current maturity shown under current liabilities		**(6,061,316)**	(1,786,286)
		20,611,356	575,113

21.2 Provision for compensated absences

	2022	2021
Balance at beginning of the year	**831,815**	831,815
Benefits paid during the year	**(708,577)**	-
Balance at end of the year	**123,238**	831,815

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 Sind Trust Act, 2020, 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, 2022 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	2022	2021
		Rupees	
Present value of defined benefit obligation	*21.3.1*	**(99,103,894)**	(88,065,412)
Fair value of plan assets	*21.3.2*	**46,987,838**	53,381,895
		(52,116,056)	(34,683,517)

21.3.1 Movement in defined benefit obligation

	2022	2021
Opening defined benefit obligation	**88,065,412**	91,008,675
Current service cost	**8,427,853**	6,912,658
Interest cost	**8,256,936**	6,932,448
Benefits paid by the fund	**(6,278,393)**	(18,900,938)
Remeasurement loss on obligation	**632,086**	2,112,569
Closing defined benefit obligation	**99,103,894**	88,065,412

21.3.2 Movement in the fair value of plan assets

	2022	2021
Balance at beginning of the year	**53,381,895**	56,301,972
Expected return on plan assets	**5,815,040**	4,212,405
Contribution	**5,000,000**	3,200,000
Benefits paid by the fund	**(6,278,393)**	(18,900,938)
Remeasurement (loss) / gain on plan assets	**(10,930,704)**	8,568,456
Balance at end of the year	**46,987,838**	53,381,895

		Note	2022	2021
			Rupees	
21.3.3	**Expense recognized in the statement of profit or loss**			
	Current service cost		**8,427,853**	6,912,658
	Net interest expense		**2,441,896**	2,720,043
			10,869,749	9,632,701
	Allocation of the expenses:			
	- Cost of sales	*29.2*	**4,347,900**	3,853,080
	- Administrative expenses	*30.1 - 30.2*	**5,652,269**	5,009,005
	- Distribution cost	*31.1*	**869,580**	770,616
			10,869,749	9,632,701
21.3.4	**Remeasurement (gain) / loss recognised in other comprehensive income**			
	Remeasurement of the present value of defined benefit obligation			
	- Financial assumptions		**2,469,310**	(1,829,327)
	- Experience adjustments		**(1,837,224)**	3,941,896
			632,086	2,112,569
	Remeasurement of the fair value of plan assets			
	- Financial assumptions		**(10,930,704)**	(8,568,456)
			(10,298,618)	(6,455,887)

21.3.5 Sensitivity analysis

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

	Impact on defined benefit obligation		
June 30, 2022	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	
Discount rate	**1%**	**93,514,787**	**105,612,781**
Expected rate of salary increase	**1%**	**106,026,507**	**93,045,880**
Mortality age	**1 year**	**99,103,895**	**99,103,895**
Withdrawal rates	**10%**	**99,103,895**	**99,103,895**

	Impact on defined benefit obligation		
June 30, 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

		2022	2021
21.3.6	**Principal assumptions used**	Rupees	
	Withdrawal rates	**Moderate**	Low
	Mortality rates	**SLIC 2001-2005**	SLIC 2001-2005
	Expected rate of increase in future salary (per annum)	**13.25%**	10.00%
	Discount rate - per annum	**13.25%**	10.00%
	Expected rate of return on plan assets	**13.25%**	10.00%
	Normal retirement age	**60 years**	60 years
21.3.7	**Composition of plan assets**		
	Equity securities and units of mutual funds	**45,594,298**	46,766,560
	Bank balances	**198,160**	5,419,955
	Investment Certificate	**1,195,380**	1,195,380
		46,987,838	53,381,895

21.3.8 The duration as at valuation date works out to 6.11 years (2021: 5.78 years).

21.4 Provision for Gas Infrastructure Development Cess

During the year ended June 30, 2021, the Supreme Court (SC) passed two judgements; one dated August 13, 2020, thereby upholding the levy of GIDC imposed vide GIDC Act, 2015, and stopping further levy with effect from August 13, 2020. The other judgement dated November 2, 2020 directed payment of amount levied till that date in 48 instalments instead of 24 instalments allowed in order dated August 13, 2020. In view of these judgments of the Apex Court, the Company has recognized a provision based on units consumed at applicable rates amounting to Rs. 94.95 million (calculated on an undiscounted basis).

In 2021, payment of cess was expected to commence from September 2022, however, this matter could not be taken up by the government due to political uncertainties. Management now expects that payment of cess to commence from September 2024. Accordingly, the effect of change in date of commencement of payment amounting to Rs. 27.2 million has been recognized during the year in the financial statements.

Further, in 2021, the Company also filed a petition with the Sindh High Court (SHC) claiming that they fall within the category of gas consumers who have not passed on the burden of cess to their customers. SHC vide its order dated September 29, 2020, restrained the defendants from taking any coercive action against the plaintiffs for non-payment of installments of GIDC arrears and also from disconnection of gas connections, based on which the Company is not making payments for the disputed amount as mentioned above.

		Note	2022	2021
			Rupees	
21.4.1	**Gas infrastructure cess liability**			
	Opening balance		**69,446,121**	-
	Liability recorded during the the year		**-**	**63,915,582**
	Unwinding of GIDC liability	*34*	**7,271,916**	**5,530,539**
	Effect of change in accounting estimate due to change of date of 1st Installment	*33*	**(27,246,733)**	-
	Closing balance		**49,471,304**	**69,446,121**

22. SHORT TERM BORROWINGS

	Note	2022	2021
Istisna financing:			
Habib Metropolitan Bank Limited	*22.1*	**275,756,087**	282,582,668
Murabaha financing:			
Standard Chartered Bank Limited		**-**	123,076,417
Bank Al Habib Limited	*22.2*	**124,770,185**	120,147,409
		124,770,185	243,223,826
Wakala Financing:			
Dubai Islamic Bank Limited	*22.3*	**184,926,277**	-
		585,452,549	525,806,494

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, 2021: 300 million) as a sub-limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2021: 6 months KIBOR + 3%). The maximum tenor of the Istisna Financing is 180 days.

The arrangement is secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to RS 550 million with the 40% margin;
- 1st charge registered over stocks / receivables amounting to Rs. 400 million with a 25% margin; and
- Token registered mortgage of Rs. 0.5 million and the rest equitable mortgage over industrial plots of land.

22.2 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;

- Lien on import documents consigned to the order of Bank Al-Habib Limited;

- Equitable mortgage over land, building and plant and machinery amounting to Rs. 551.4 million over survey 54 , located at Kemari Town and;

- Interim comfort security over survey 53 and 55, located at Kemari Town.

22.3 Short term wakala financing has been obtained under shariah arrangement for the purchase of raw material. The bank has approved the facility of Rs. 230 million. The markup rate on the facility is matching KIBOR + 1.75% per annum. The maximum tenor is 180 days.

The arrangement is secured against the following:

- 1st pari passu hypothecation charge over current assets of the company with 25% margin amounting to Rs. 307 million;

- 1st pari passu hypothecation charge over land and building of the company situated at plot no. B-183, 184, 185, 186, 187, 197, 198 and 199, Khasra number 760, 761,767 and 770 Hub Industrial Estate, Lasbela, Baluchistan owned by M/s. Sana Industries Limited with 25% margin amounting Rs. 307 million;

- Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab; along with personel net worth statements and;

- Lien over import documents.

22.4 As at 30th june 2022, the Company had anavailed facilities of 69.54 million (2021: 33.19 million).

23. TRADE AND OTHER PAYABLES

	Note	**2022**	2021
		Rupees	
Creditors		**72,967,848**	33,075,745
Advance from customers	*23.1*	**57,058,322**	19,039,839
Accrued expenses		**27,534,810**	23,038,351
Provision for gas tariff difference	*23.2*	**70,706,532**	56,040,620
Workers' Profits Participation Fund payable	*23.3*	**19,997,203**	17,158,747
Workers' Welfare Fund payable		**3,596,811**	2,799,348
Sales tax payable		**11,627,791**	26,261,144
Withholding Income tax payable		**1,064,777**	514,096
Due to related party	*23.4*	**550,000**	-
Others		**12,343,633**	13,787,118
		277,447,727	191,715,008

23.1 During the year, the performance obligations underlying the opening contract liability of Rs. 19.039 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. 57.058 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

23.2 On August 31, 2015, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. 876(I)/2015 whereby, with effect from September 01, 2015, the sale price of natural gas for gas consumers falling under the category 'Industrial' was increased to Rs. 600 per MMBTU (as against the previously applicable tariff of Rs. 488.23 per MMBTU notified vide S.R.O. 01(I)/2013 dated January 01, 2013). The said notification was widely challenged by companies operating in the textile industry (including the Company vide Suit No. 129 of 2017) before the Honourable High Court of Sindh ('the Court'). In its interim order dated January 18, 2017, the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 488.23 per MMBTU and the differential amount of Rs. 111.77 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, until September 2018, the Company continued to pay its monthly gas bills at the rate of Rs. 488.23 per MMBTU and recognized a provision for the differential liability which, as at June 30, 2022, amounted to Rs. 51.506 million (2021: Rs. 51.506 million).

Further, on October 23, 2020, OGRA issued S.R.O whereby, with effect from September 01, 2020, the sale price of natural gas for the aforesaid class of gas consumers was increased to Rs. 852 per MMBTU (as against the previously applicable tariff of Rs. 786 per MMBTU). The said notification was also widely challenged by companies operating in the textile industry (including the Company vide Suit No. 1790 of 2020) before the Court. In its interim order dated May 25th, 2021 the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 786 per MMBTU and the differential amount of Rs. 66 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, with effect from September 2020, the Company has been recognizing a provision for the differential rate of Rs. 66 per MMBTU which, as at June 30, 2022, accumulated up to Rs. 19.201 million (2021: Rs. 4.535 million).

As of reporting date, both the matters as afore-said are pending for adjudication before the court. The outstanding liability shall be settled once the decision of court is announced.

23.3 Workers' Profit Participation Fund payable	*Note*	**2022**	2021
		Rupees	
Opening balance		**17,158,747**	13,031,537
Add:			
- Contribution for the year	*32*	**9,448,611**	7,366,706
- Interest accrued	*34*	**757,551**	-
		10,206,162	7,366,706
Less: payments during the year		**(7,367,706)**	(3,239,496)
		19,997,203	17,158,747

23.4 This represents amount payable to its subsidiary Sana Logistics (Pvt.) Limited for reimbursement of certain expenses incurred during the year on behalf of the Company.

24. LOANS FROM DIRECTORS AND SPONSORS - unsecured	**2022**	2021
	Rupees	
Loan from directors	**3,500,000**	4,660,000
Loan from sponsors	**-**	2,000,000
	3,500,000	6,660,000

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.

	Note	2022	2021
		Rupees	

25. ACCRUED MARKUP

Markup accrued on:			
-Short term borrowings		**16,695,228**	9,206,038
-Long term financing- Diminishing Musharaka		**222,536**	175,000
		16,917,764	9,381,038

26. CURRENT PORTION OF LONG-TERM FINANCING

	Note	2022	2021
Current maturity of long term musharaka	*20.1*	**28,996,569**	28,905,170
Current maturity of financing under SBP Refinance Scheme for Payment of Salaries and Wages	*20.2*	**15,282,135**	34,720,631
Current maturity of ITERF	*20.3*	**13,399,708**	-
		57,678,412	63,625,801

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.

27.2 Commitments

	Note	2022	2021
		Rupees	
Irrevocable Letter of credit issued in respect of purchase of raw material and capital expenditure		**483,268,080**	358,429,992
Custom duties, sales tax and income taxes on stock in transit.		**13,851,826**	5,018,520
Revolving letter of guarantee issued by Habib Metropolitan Bank Limited in favour of Sui Southern Gas Company Ltd.		**31,610,615**	29,376,305

28. REVENUE - net

	Note	2022	2021
		Rupees	
Yarn sales		**3,085,624,139**	2,483,854,040
Raw material sales		**-**	21,537,860
Wastage sales		**8,324,416**	10,609,395
		3,093,948,555	2,516,001,295
Less: Sales tax		**(461,411,479)**	(381,984,683)
Less: Commission and discounts		**(1,939,538)**	(5,017,211)
		2,630,597,538	2,128,999,401

29. COST OF SALES

	Note	2022	2021
Raw and packing materials consumed	*29.1*	**1,660,613,177**	1,139,273,520
Manufacturing expenses			
Stores and spares consumed		**103,624,830**	84,097,856
Salaries, wages and benefits	*29.2*	**320,023,619**	277,665,316
Fuel and power	*29.3*	**265,786,879**	238,354,739
Services procured		**5,165,797**	7,450,741
Repairs and maintenance		**12,037,060**	11,485,716
Vehicle repairs and maintenance		**5,007,527**	4,372,020
Insurance		**2,797,448**	2,585,659
Loading and unloading expenses	*44.2*	**10,518,341**	10,624,928
Entertainment expenses		**2,103,868**	1,189,277
Rent, rates and taxes		**484,900**	524,185
Depreciation on operating fixed assets	*4.1.2*	**37,083,588**	37,511,924
Security		**3,535,374**	3,095,814
Water expenses		**9,455,276**	7,921,500
Other manufacturing expenses		**2,824,901**	2,839,616
		780,449,408	689,719,291
Work-in-process - opening stock		**13,904,366**	34,610,933
Work-in-process - closing stock		**(27,994,064)**	(13,904,366)
		(14,089,698)	20,706,567
		2,426,972,887	1,849,699,378
Cost of goods manufactured			
Finished goods - opening stock		**70,631,209**	91,199,918
Waste material- opening stock		**1,103,350**	2,820,350
Finished goods - closing stock		**(173,477,436)**	(70,631,209)
Waste material- closing stock		**(344,425)**	(1,103,350)
		(102,087,302)	22,285,709
		2,324,885,585	1,871,985,087

29.1 Raw and packing materials consumed

	2022	2021
Opening stock	**146,124,338**	72,862,452
Add: Purchases during the period	**1,642,319,657**	1,212,535,406
	1,788,443,995	1,285,397,858
Less : Closing stock	**(127,830,818)**	(146,124,338)
	1,660,613,177	1,139,273,520

29.2 This includes an amount of Rs. 4.347 million (2021: Rs. 3.853 million) in respect of staff retirement benefits.

		Note	2022	2021
			Rupees	
29.3	**Fuel and power- generation costs**			
	Gas expenses		**171,089,733**	158,885,746
	Electricity		**68,286,984**	54,730,382
	Generator operation and maintenance		**8,740,810**	7,900,695
	Repairs and maintenance		**1,463,889**	563,277
	Depreciation on operating fixed assets	*4.1.2*	**15,525,925**	15,522,158
	Insurance		**421,940**	442,559
	Electricity duty		**257,598**	309,922
			265,786,879	238,354,739

30.	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	*30.1*	**24,559,506**	14,937,079
	Directors' remuneration	*30.2*	**24,900,000**	27,465,734
	Meeting fee		**200,000**	285,000
	Printing and stationery		**433,707**	375,151
	Legal and professional charges		**1,438,793**	7,385,708
	Fees and subscription		**2,066,253**	2,241,866
	Travelling and conveyance		**243,182**	3,350
	Repairs and maintenance		**3,370,354**	2,755,691
	Depreciation on operating fixed assets	*4.1.2*	**6,863,086**	4,981,660
	Depreciation on right-of-use assets	*5*	**3,995,150**	3,995,150
	Security expenses		**329,221**	311,702
	Electricity and gas		**2,387,743**	1,714,655
	Insurance		**752,657**	564,224
	Donation		**250,000**	100,000
	Auditors' remuneration	*30.3*	**1,052,700**	957,000
	Miscellaneous		**2,714,127**	1,780,775
			75,556,479	69,854,745

30.1 This includes an amount of Rs. 1.117 million (2021: Rs.0.964 million) in respect of staff retirement benefits.

30.2 This includes an amount of Rs. 4.535 million (2021: Rs. 4.129 million) in respect of staff retirement benefits.

		Note	2022	2021
30.3	**Auditors' remuneration**		Rupees	
	Audit fee (including audit of consolidated financial statements)		**726,000**	660,000
	Half yearly review fee		**242,000**	220,000
	Statutory certifications		**60,500**	55,000
	Out-of-pocket expenses		**24,200**	22,000
			1,052,700	957,000
31.	**DISTRIBUTION EXPENSES**			
	Salaries, wages and benefits	*31.1 & 44.2*	**6,678,127**	5,879,056
	Packing and forwarding expenses		**8,132,281**	8,804,667
	Communication		**230,547**	220,981
	Sales promotion expenses		**82,230**	-
	Miscellaneous expense		**41,727**	117,250
			15,164,912	15,021,954

31.1 This includes an amount of Rs. 0.869 million (2021: Rs. 0.771 million) in respect of staff retirement benefits.

		2022	2021
32. OTHER OPERATING EXPENSES	*Note*	Rupees	
Increase in provision for expected credit losses	*11.1*	**2,066,913**	350,000
Workers' Profit Participation Fund	*23.3*	**9,448,611**	7,366,706
Workers' Welfare Fund		**3,596,811**	2,799,348
Unrealised loss on re-measurement of investments		**-**	37,400
		15,112,335	10,553,454

		2022	2021
33. OTHER INCOME			
Rental income-net			
Rental income		**35,895,600**	37,216,500
Operation and maintenance charges		**2,432,797**	5,037,420
		38,328,397	42,253,920
Less: Related expenses			
Depreciation on property, plant and equipment	*4.1.2*	**(6,595,456)**	(8,144,603)
Depreciation on investment property	*6*	**(10,384,190)**	(10,452,096)
Insurance		**(923,951)**	(1,062,547)
		(17,903,597)	(19,659,246)
		20,424,800	22,594,674
Return on deposits - Islamic bank		**1,260,833**	1,123,072
Profit on Habib Islamic Investment Certificate		**93,213**	78,540
Profit on Term Deposit Receipt (TDR)		**936,823**	7,277
Dividend Income		**1,155,725**	64,327
Gain on sale of operating fixed assets		**12,617,848**	7,732,213
Gain on re-measurement of Gas Infrastructure Development Cess	*21.4.1*	**27,246,733**	-
Gain on sale of short term investment		**-**	-
Amortization of deferred government grant		**5,255,947**	3,316,128
Reversal of provision for expected credit losses		**1,030,240**	-
Others		**108,016**	1,140,975
		70,130,178	36,057,206

		2022	2021
34. FINANCE COSTS			
Markup and interest charges on:			
- Long term financing		**5,388,122**	7,759,777
- Short term borrowings		**67,332,765**	36,586,139
- Lease liability	*19*	**4,266,704**	4,478,233
- SBP refinance scheme for Payment of Salaries and Wages	*20.2*	**3,971,644**	4,451,339
- Financing under ITERF facility	*20.3*	**5,890,589**	-
		86,849,824	53,275,488
Bank charges		**465,489**	897,031
Finance charges on Workers' Profit Participation Fund	*23.3*	**756,551**	-
Documentation charges		**280,800**	194,295
Unwinding of GID cess liability	*21.4*	**7,271,916**	5,530,539
Guarantee commission		**350,406**	406,806
Local letter of credit charges		**173,527**	169,142
		96,148,513	60,473,301

		2022	2021
35. TAXATION			
Current			
- for the year		**40,572,842**	31,934,991
- for prior year		**1,047,773**	(24,375)
		41,620,615	31,910,616
Deferred		**3,950,334**	10,478,724
		45,570,949	42,389,340

35.1 The income tax assessments of the Company have been finalized up to, and including, the tax year 2021. 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

		June 30, 2022	June 30, 2021
Basic earnings per share	*Note*	----------- Rupees -----------	
Profit after taxation		**128,288,943**	94,778,726
			(Restated)
Weighted average number of ordinary shares	*19.1.1*	**12,100,000**	10,418,533
			(Restated)
Earnings per share - basic		**10.60**	9.10

In accordance with the requirement of the International Accounting Standard (IAS) 33 *'Earnings Per Share',* the basic earning per share of the Company for the year ended June 30, 2021 has been retrospectively adjusted for the effect of bonus element contained in the issue of bonus shares made during the year.

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, 2022 and June 30, 2021.

37. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rupees							
Basic salary	**11,055,000**	9,538,120	**5,628,000**	6,153,280	**11,117,566**	3,835,080	**27,800,566**	19,526,480
House rent allowance	**4,290,000**	5,992,055	**2,184,000**	2,387,840	**3,806,400**	1,448,240	**10,280,400**	9,828,135
Retirement benefits	**1,536,986**	1,118,241	**1,035,616**	636,799	**3,688,274**	1,002,474	**6,260,876**	2,757,514
Utilities	**1,155,000**	996,520	**588,000**	642,880	**1,024,800**	400,680	**2,767,800**	2,040,080
	18,036,986	17,644,936	**9,435,616**	9,820,799	**19,637,040**	6,686,474	**47,109,642**	34,152,209
Number of persons	**1**	1	**1**	1	**4**	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.

		2022	2021
		Number	
38.	**PLANT CAPACITY AND ACTUAL PRODUCTION**		
	Number of spindles installed	**33,888**	31,488
	Number of spindles operated	**33,888**	31,488
	Installed capacity in kgs. after conversion into 30 single count	**7,668,854**	**7,125,734**
	Actual production of yarn in kgs. after conversion into 30 single count	**6,848,182**	**6,662,976**
	Number of shifts worked per day	**3**	3

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 Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

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 counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk of the Company mainly arises from deposits with banks, trade debts and other receivables. 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 trading limits according to their net worth and also obtain advance payment 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 and considers past experience.

Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, are detailed as follows:

		2022	2021
		Rupees	
Long-term deposits		**2,716,051**	2,716,051
Trade debts	*(a)*	**448,797,019**	442,391,605
Short term loan to employees		**7,581,074**	5,395,276
Short term trade deposits		**1,126,408**	886,408
Short term investments		**1,705,555**	1,705,555
Other receivables		**77,253,189**	44,803,027
Bank balances	*(b)*	**25,846,915**	97,100,871
		565,026,211	594,998,793

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

	2022		2021	
	Gross carrying amount	**Life time expected credit losses**	Gross carrying amount	Life time expected credit losses
Not past due	**377,809,061**	**-**	341,131,247	-
Past due 1 day - 30 days	**35,079,586**	**161,606.42**	56,222,881	-
Past due 31 days - 60 days	**17,419,869**	**296,731.14**	20,694,897	-
Past due 61 days - 90 days	**7,045,509**	**143,501.90**	6,940,985	-
Past due 91 days - 120 days	**4,385,210**	**154,147**	4,774,335	(450,000)
Above 120 days	**7,057,782**	**1,380,687**	12,627,260	(650,000)
	448,797,017	**2,136,673**	442,391,605	(1,100,000)

The bank balances along with credit ratings are tabulated below:

Bank	**Rating agency**	**Short-term Rating**	**2022**	2021
			----------(Rupees)----------	
Habib Metropolitan Bank Limited	PACRA	A-1+	**8,655,109**	17,183,157
Meezan Bank Limited	JCR-VIS	A-1+	**1,054,720**	21,965,628
Bank Al-Habib Limited	PACRA	A-1+	**1,482,651**	11,261,066
Bank Alfalah Limited	PACRA	A-1+	**225,651**	3,149,952
United Bank Limited	JCR-VIS	A-1+	**1,690,210**	1,615,949
National Bank of Pakistan	PACRA	A-1+	**1,367,533**	231,042
Habib Bank Limited	JCR-VIS	A-1+	**1,525,106**	7,074,039
Standard Chartered Bank	PACRA	A-1+	**604,024**	6,914,171
Faysal Bank Limited	PACRA	A-1+	**624,031**	1,233,342
Dubai Islamic Bank Limited	JCR-VIS	A-1+	**7,867,102**	25,168,676
Al-Baraka Bank Limited	JCR-VIS	A-1	**200,000**	200,000
J.S Bank Limited	PACRA	A-1+	**550,778**	1,103,849
			25,846,915	97,100,871

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. 28.22 million (2021: Rs. 98.496 million) unutilized credit lines Rs. 69.54 million (2021: Rs. 33.19 million) and liquid assets in the form of short term securities amounting to Rs. 2.6 million (2021: Rs. 26.726 million).

	30-Jun-22					
	Carrying amount	Contractual Cash flows	Less than six months	Six to tweleve months	One to Five years	More than Five years
	---------- (Rupees) ----------					
Lease liability	29,187,195	40,630,260	3,370,092	3,421,801	33,838,367	-
Long term financing	161,136,177	213,993,831	36,871,440	24,157,830	143,172,814	9,791,747
Short term Islamic borrowings	585,452,549	585,452,549	585,452,549	-	-	-
Trade and other payables	112,415,591	112,415,591	112,415,591	-	-	-
Loan from directors and sponsors	3,500,000	3,500,000	3,500,000	-	-	-
Accrued markup	16,917,764	16,917,764	16,917,764	-	-	-
	908,609,276	972,909,995	758,527,436	27,579,631	177,011,181	9,791,747

	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	-

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, price risk and interest rate 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 there 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).

Financial assets and liabilities include balances of Rs. 11.501 million (2021: Rs. 80.977 million) and Rs. 585.452 million (2021: Rs. 525.806 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

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

	2022	2021	**2022**	2021
	Effective interest rate (%)		**Carrying amounts (Rs.)**	
Financial assets				
Bank deposits - *Saving account*	**6%-10%**	2.84% to 4%	**10,241,074**	54,271,560
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	**8.9%-18.74%**	.59% to 15.51%	**585,452,549**	525,806,494

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.

	(Decrease) / increase in profit before tax	
	100 bp increase	**100 bp (decrease)**
As at June 30, 2022		
Cash flow sensitivity-Variable rate financial instrument	**(5,735,059)**	**5,735,059**
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial liabilities	(4,448,294)	4,448,294

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, 2022 **Financial assets**	**June 30, 2022** **At fair value through profit or loss**	**At Amortized cost**	**Total**
		Rupees	
Long term deposits	**-**	**2,716,051**	**2,716,051**
Trade debts - unsecured	**-**	**448,797,019**	**448,797,019**
Short term loan to employees	**-**	**7,581,074**	**7,581,074**
Short term trade deposits	**-**	**1,126,408**	**1,126,408**
Short term investments	**958,764**	**1,705,555**	**2,664,319**
Other receivables	**-**	**77,253,189**	**77,253,189**
Cash and bank balances	**-**	**28,224,761**	**28,224,761**
	958,764	**567,404,057**	**568,362,821**

As at June 30, 2022 **Financial liabilities**	**Financial liabilities at amortized cost** **– Rupees –**
Long term financing	**161,136,177**
Short term borrowings	**585,452,549**
Trade and other payables	**112,415,591**
Loans from directors and sponsors	**3,500,000**
Accrued markup	**16,917,764**
	879,422,081

As at June 30, 2021 **Financial assets**	**June 30, 2021** **At fair value through profit or loss**	**At Amortized cost**	**Total**
		Rupees	
Long term deposits	-	2,716,051	2,716,051
Trade debts - unsecured	-	442,391,605	442,391,605
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	596,394,764	621,412,041

As at June 30, 2021 **Financial liabilities**	**Financial liabilities at amortized cost** **– 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

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, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	--------------------Amount in	**Rupees**	**----------------------**	
Financial assets mesured at fair value				
Short term investment in units of mutual funds	**958,764**	**-**	**-**	**958,764**

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

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:

	2022	2021
Borrowings:	Rupees	
Long term financing	**161,136,177**	99,278,606
Short term borrowings	**585,452,549**	525,806,494
Loans from directors and sponsors	**3,500,000**	6,660,000
	750,088,726	631,745,100
Shareholders' equity:		
- Issued, subscribed and paid up capital	**121,000,000**	110,000,000
- General reserve	**132,500,000**	132,500,000
- Share premium	**96,250,000**	96,250,000
- Unappropriated profits	**248,486,285**	174,056,923
	598,236,285	512,806,923
Total capital managed by the Company	**1,348,325,011**	1,144,552,023

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:

	2022	2021
	Rupees	
SUBSIDIARIES		
Sana Logistics (Private) Limited		
Transactions during the year		
Rental income	**32,976,000**	36,000,000
Rent Received from Sana Logistics (Private) Limited	**-**	14,863,167
Reimbursement of operation and maintenance expenses to Sana Logistics (Private) Limited	**1,884,917**	870,519
Balances as at the year end		
Rent receivable from Sana Logistics (Private) Limited	**68,839,168**	35,863,168
Receivable from Sana Logistics (Private) Limited in respect of operation and maintenance expenses.	**4,106,681**	4,715,825
Sana Distributors (Private) Limited		
Transactions during the year		
Rental income	**2,919,600**	1,216,500
Receivable from Sana Distribution (Private) Limited in respect of operation and maintenance expenses.	**1,194,196**	-
Balances as at the year end		
Rent receivable from Sana Distribution (Private) Limited	**-**	1,216,500
Receivable from Sana Distribution (Private) Limited in respect of operation and maintenance expenses.	**344,975**	295,729
KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS		
Mohammad Younus Nawab (Chairman)		
Transactions during the year		
Loan obtained during the year	**-**	-
Loan repaid during the year	**-**	2,000,000
Balances as at the year end		
Loan payable as of the reporting date	**-**	-
Mohammad Irfan Nawab (CEO)		
Transactions during the year		
Loan obtained during the year	**4,000,000**	-
Loan repaid during the year	**6,660,000**	200,000
Balances as at the year end		
Loan payable as of the reporting date	**2,000,000**	4,660,000

	2022	2021
	Rupees	
Ibrahim Younus (Director)		
Transactions during the year		
Loan obtained during the year	-	3,250,000
Loan repaid during the year	-	4,300,000
Balances as at the year end		
Loan payable as of the reporting date	-	-
Ismail Younus (Director)		
Transactions during the year		
Loan obtained during the year	-	-
Loan repaid during the year	-	-
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	**2,000,000**	-
Loan repaid during the year	**500,000**	-
Balances as at the year end		
Loan payable as of the reporting date	**1,500,000**	500,000
Sabiha Younus (Spouse of Chairman / Sponsor)		
Transactions during the year		
Loan obtained during the year	-	-
Loan repaid during the year	-	3,250,000
Rent paid during the year	**2,780,960**	2,978,075
Balances as at the year end		
Rent payable as of the reporting date	-	-
Loan payable as of the reporting date	-	-
Afshan Irfan (Spouse of CEO / Sponsor)		
Transactions during the year		
Loan obtained during the year	**10,000,000**	46,000,000
Loan repaid during the year	**12,000,000**	48,250,000
Rent paid during the year	**2,780,960**	2,978,075
Balances as at the year end		
Rent payable as of the reporting date	-	-
Loan payable as of the reporting date	-	2,000,000

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 99.73% % (2021: 98.72%) of the total revenue of the Company.

(b) 100% (2021:100%) of the gross sales of the Company were made to customers based in Pakistan.

(c) As at June 30, 2022 and June 30, 2021 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. 1,080.430 million (2021: Rs. 650.724 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:

	2022	2021
	Number	
Total number of employees as at year	**253**	215
Average number of employees during the year	**241**	215

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.

Recalssified from component	**Recalssified to component**	**Amount (Rupees)**
Salaries, wages and benefits *(Distribution expenses)*	Loading and unloading expenses *(Cost of sales)*	6,219,516

44.3 Events after the reporting date

The Board of Directors in their meeting held on October 5, 2022 has proposed a final cash dividend of Rs.1 per share (2021: Rs. 1.5 per share) for approval of the members at the Annual General Meeting to be held on October 28, 2022. The financial statements do not reflect this 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 5-Oct-2022.

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
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 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, 2022**, 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, 2022** 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.

Cont'd... P/2

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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

Russell Bedford
taking you further

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: October 07, 2022
UDIN: AR202210213yCzSskOL1

Sana Industries Limited

Consolidated Statement of Financial Position

As at June 30, 2022

	Note	2022	2021
		Rupees	
ASSETS			
NON- CURRENT ASSETS			
Property, plant and equipment	4	**748,034,155**	507,994,328
Right-of-use assets	5	**42,580,955**	61,089,070
Intangibles		**806,667**	-
Long term advance		**1,951,000**	-
Long term deposits and prepayments	6	**2,756,051**	2,756,051
Deferred tax asset - net		**42,229,752**	27,299,528
		838,358,580	599,138,977
CURRENT ASSETS			
Stock-in-trade	7	**452,097,042**	286,554,036
Stores and spares		**9,479,354**	6,697,215
Trade debts	8	**612,794,092**	639,494,065
Loans and advances	9	**20,539,433**	36,883,156
Trade deposits and short term prepayments	10	**3,293,268**	2,811,491
Short term investments	11	**2,664,319**	26,722,837
Other receivables		**20,186,543**	16,783,402
Tax refunds due from government		**139,338,723**	126,242,288
Cash and bank balances	12	**70,244,958**	130,132,866
		1,330,637,732	1,272,321,356
TOTAL ASSETS		**2,168,996,312**	1,871,460,333
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	13	**200,000,000**	200,000,000
Issued, subscribed and paid-up capital	13	**121,000,000**	110,000,000
Capital reserve:			
Share premium		**96,250,000**	96,250,000
Revenue reserves			
General reserves		**132,500,000**	132,500,000
Unappropriated profit		**254,936,150**	185,452,950
		387,436,150	317,952,950
Equity attributable to the shareholders of Holding Company		**604,686,150**	524,202,950
Non controlling interest		**53,567,671**	45,372,567
Total equity		**658,253,821**	569,575,517
LIABILITIES			
NON - CURRENT LIABILITIES			
Lease liability	14	**40,287,420**	53,339,874
Long term financing	15	**111,585,135**	51,742,922
Deferred liabilities	16	**122,321,952**	105,790,792
		274,194,507	210,873,588
CURRENT LIABILITIES			
Short term borrowings	17	**660,441,857**	585,740,510
Trade and other payables	18	**371,298,302**	297,961,691
Accrued markup	19	**18,045,663**	9,967,323
Loans from directors and associates	20	**65,055,000**	49,256,135
Unclaimed dividend		**1,996,426**	1,877,677
Taxation-net		**1,167,422**	-
Provident Fund payable		**4,399,561**	-
Current maturity of lease liability	14	**33,859,137**	24,925,670
Current maturity of deferred government grant	16.1	**6,326,048**	3,291,953
Current maturity of long term financing	21	**73,958,568**	117,990,269
		1,236,547,984	1,091,011,228
CONTINGENCIES AND COMMITMENTS	22		
TOTAL EQUITY AND LIABILITIES		**2,168,996,312**	1,871,460,333

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, 2022

	Note	2022	2021
		Rupees	
Gross Revenue		**4,525,704,680**	3,207,685,165
Less: Sales taxes		**(701,324,087)**	(490,288,806)
Net Revenue	*23*	**3,824,380,593**	2,717,396,359
Cost of sales and services	*24*	**(3,460,061,662)**	(2,369,495,394)
Gross profit		**364,318,931**	347,900,965
Administrative expenses	*25*	**(100,429,374)**	(106,816,558)
Distribution expenses	*26*	**(27,419,401)**	(28,363,523)
Other operating expense	*27*	**(16,805,298)**	(14,053,449)
Other income	*28*	**75,115,296**	21,553,921
		(69,538,777)	(127,679,609)
Operating profit		**294,780,154**	220,221,356
Finance costs	*29*	**(119,509,288)**	(79,488,422)
Profit / (loss) before taxation		**175,270,866**	140,732,934
Taxation	*30*	**(43,732,981)**	(63,366,727)
Profit after taxation		**131,537,885**	77,366,207
Attributable to:			
- Shareholders of the Holding Company		**123,342,781**	71,355,726
- Non-controlling interest		**8,195,104**	6,010,481
		131,537,885	77,366,207
			(Restated)
Earnings / (loss) per share - basic and diluted		**10.19**	6.85

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, 2022

	2022	2021
	Rupees	
Profit after taxation	**131,537,885**	77,366,207
Other Comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Actuarial loss on remeasurement of defined benefit obligation	**(11,562,790)**	4,046,139
Deferred tax on above	**3,353,209**	(1,173,380)
	(8,209,581)	2,872,759
Total comprehensive income for the year	**123,328,304**	80,238,966
Attributable to:		
- Shareholders of the Holding Company	**115,133,200**	74,228,485
- Non - controlling interest	**8,195,104**	6,010,481
	123,328,304	80,238,966

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, 2022

	Issued, subscribed and paid-up capital	Capital reserve	Revenue Reserves			Total equity attributable to the shareholders of Holding Company	Non - controlling interest
		Share Premium	General reserves	Un-appropriated profit	Total reserves		
	Rupees						
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) -	-	-	-	(63,915,582)	(63,915,582)	(63,915,582)	-
Effect of deferred tax on GID cess	-	-	-	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	-	-	-	71,355,726	71,355,726	71,355,726	6,010,481
- Other comprehensive income	-	-	-	2,872,759	2,872,759	2,872,759	-
	-	-	-	74,228,485	74,228,485	74,228,485	6,010,481
Transaction with owners							
Right shares issued during the year	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**	**185,452,950**	**414,202,950**	**524,202,950**	**45,372,567**
Total comprehensive loss for the year ended June 30, 2022							
- Profit after taxation	**-**	**-**	**-**	**123,342,781**	**123,342,781**	**123,342,781**	**8,195,104**
- Other comprehensive income	**-**	**-**	**-**	**(8,209,581)**	**(8,209,581)**	**(8,209,581)**	**-**
	-	**-**	**-**	**115,133,200**	**115,133,200**	**115,133,200**	**8,195,104**
Transaction with owners:							
Final dividend paid for the year ended June 30, 2021 @ Rs. 1.5/- per share	**-**	**-**	**-**	**(16,500,000)**	**(16,500,000)**	**(16,500,000)**	**-**
Bonus shares @ 10% for the year ended June 30, 2021	**11,000,000**	**-**	**-**	**(11,000,000)**	**(11,000,000)**	**-**	**-**
Dividend paid for the half year ended December 31, 2021 @ Rs 1.5/- per share	**-**	**-**	**-**	**(18,150,000)**	**(18,150,000)**	**(18,150,000)**	**-**
	11,000,000	**-**	**-**	**(45,650,000)**	**(45,650,000)**	**(34,650,000)**	**-**
Balance as at 30 June, 2022	**121,000,000**	**96,250,000**	**132,500,000**	**254,936,150**	**483,686,150**	**604,686,150**	**53,567,671**

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 Cash Flows

For the year ended June 30, 2022

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		**Rupees**	
Profit / (loss) before taxation		**175,270,866**	140,732,934
Adjustments for:			
- Depreciation on operating fixed assets	4.1.1	**92,074,426**	97,185,565
- Depreciation on right-of-use assets	5	**18,508,115**	18,508,115
- Ammortization of intangible		**143,333**	-
- Provision for staff retirement benefits	16.3.3	**10,869,749**	9,632,701
- Provision for gas rate difference		**14,665,912**	4,535,033
- Provision for Workers' Profit Participation Fund	27	**9,448,611**	7,366,706
- Provision for Workers' Welfare Fund	27	**3,596,811**	2,799,348
- Unrealized loss on remeasurement of short term investments	27	**-**	37,395
- Increase in provision for expected credit losses	27	**3,759,876**	3,850,000
- Reversal of provision for expected credit losses	28	**(3,530,240)**	-
- Gain on sale of operating fixed assets	28	**(17,011,181)**	(7,732,213)
- Amortization of deferred government grant	28	**(6,751,607)**	(5,433,726)
- Dividend income	28	**(1,155,725)**	(64,326)
- Profit on bank deposits	28	**(3,347,209)**	(1,502,725)
- Gain on remeasurement of long term liability	28	**-**	(5,641,081)
- Gain on re-measurement of Gas Infrastructure Development Cess	28	**(27,246,733)**	-
- Finance costs	29	**119,509,288**	79,488,422
		213,533,426	203,029,214
Cash generated from operating activities before working capital changes		**388,804,292**	343,762,148
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
- Stock in trade		**(165,543,006)**	(85,060,383)
- Stores and spares		**(2,782,139)**	131,407
- Trade debts		**26,470,337**	(303,776,228)
- Loan and advances		**16,343,723**	4,937,606
- Trade deposits and short term prepayments		**(481,777)**	(652,134)
- Other receivables		**(3,403,141)**	(14,670,611)
Sales tax refundable		**(4,313,062)**	(5,791,884)
Increase in current liabilities			
- Providend fund payable		**4,399,561**	-
- Trade and other payables		**55,034,780**	63,758,832
		(74,274,724)	(341,123,395)
Cash generated from operations		**314,529,568**	2,638,753
- Income tax refund received during the year		**-**	17,281,453
- Income tax paid		**(62,925,949)**	(38,847,971)
- Contribution to staff retirement benefits fund		**(5,000,000)**	(3,200,000)
- Compensated absences paid		**(708,577)**	-
- Payment of Workers' Welfare Fund		**(2,799,348)**	-
- Payment of Workers' Profit Participation Fund		**(7,367,706)**	(3,239,496)
- Finance cost paid		**(91,523,743)**	(65,274,190)
- Long term advances - net		**(1,951,000)**	-
- Long term deposits refunded		**-**	-
Net cash generated from operating activities		**142,253,245**	(90,641,451)
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisition of property, plant and equipment		**(332,826,822)**	(45,663,142)
- Additions to intangibles		**(400,000)**	-
- Short term investment in units of mutual funds		**24,058,518**	(25,054,678)
- Dividend received		**1,155,725**	64,326
- Profit received		**3,347,209**	1,502,725
- Proceeds from disposal of operating fixed assets		**17,173,750**	14,116,370
Net cash used in investing activities		**(287,491,620)**	(55,034,399)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Loan received under Diminishing Musharaka facility		**17,842,150**	-
- Principal repaid under Diminishing Musharaka facility		**(54,318,727)**	(52,721,676)
- Loan received under SBP Refinance Scheme for Payment of Wages		**-**	52,169,318
- Principal repaid under SBP Refinance Scheme for Payment of Wages		**(56,763,187)**	(27,542,766)
- Islamic temporary economic refinance obtained		**133,821,560**	-
- Repayment of loan against Islamic temporary economic refinance		**(1,466,321)**	-
- Principal repayment under Islamic Auto Finance		**(496,095)**	(1,288,504)
- Repayment of lease liability (principal portion)		**(4,118,987)**	(11,873,484)
- Principal repayment of long term liability		**(5,118,888)**	(15,793,278)
- Loan borrowed / (repaid) to directors and associates		**15,798,865**	(14,088,865)
- Short term borrowings - net		**74,701,347**	173,529,920
- Proceeds from issue of right shares		**-**	120,312,500
- Dividend paid		**(34,531,250)**	(8,606,083)
Net cash used in financing activities		**85,350,467**	214,097,082
Net increase / (decrease) in cash and cash equivalents		**(59,887,908)**	68,421,232
Cash and cash equivalents at the beginning of the year		**130,132,866**	61,711,634
Cash and cash equivalents at the end of the year	13	**70,244,958**	130,132,866

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

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

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, 2022, the Holding Company held 70% (2021: 70%) ordinary shares of Sana Logistics (Private) Limited and 100% (2021: 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 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 specialized 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 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 square

1.4 The Subsidiary Company, M/s. Sana Distributors (Private) Limited (the Company') is a private limited company incorporated in Pakistan on December 2020 under the Companies Act, 2017. The principal business activity of the Company is the distribution of lubricants and allied dairy and food products items and to act as general traders.

The address of the Subsidiary Company's business units 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.

Warehouse: The warehouse is located at SF-96, S.I.T.E, Karachi.

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:

(a) The Group'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 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	*3.2*
- Provision for expected credit losses	*3.9*
- Measurement of defined benefit obligation	*3.14*
- Current income tax expense, provision for prior year tax and recognition of deferred tax asset	*3.15*

2.5 New accounting pronouncements

2.5.1 *Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2022.*

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:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. 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 Group.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 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 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 Group.

- 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 Group.

- 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 financial statements of the Group.

- 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 Group.

- 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 This amendment enables the fair value measurement of biological assets on a post-tax basis.

  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 Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The Group ceases consolidation from the date when control is lost.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of group and subsidiaries are same.

3.2 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 4.1. 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.

3.3 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.

3.4 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.

3.5 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

3.6 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.

3.7 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.

3.8 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 recognition.

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.

3.9 ***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.

3.10 *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 ownership.

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.

3.11 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.

3.12 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.

3.13 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.

3.14 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 Holding 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 Holding Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.15 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.

3.16 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 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 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.

3.17 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.

3.18 Other income

Interest income

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

3.19 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

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.

3.20 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.

3.21 Dividend distribution

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

4. PROPERTY, PLANT AND EQUIPMENT

	Note	**2022**	2021
		Rupees	
Operating fixed assets	*4.1*	**725,935,064**	504,719,654
Capital work in progress	*4.2*	**22,099,091**	3,274,674
		748,034,155	507,994,328

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, 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
Year ended June 30, 2022													
Opening 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**
Additions	**-**	**-**	**49,221,917**	**3,849,500**	-	**204,004,718**	**6,352,716**	**5,925,672**	**-**	**43,034,908**	**1,062,974**	**-**	**313,452,405**
Disposals													
Cost	-	-	-	-	-		-	-	-	**(13,072,175)**	**(64,500)**	-	**(13,136,675)**
Accumulated depreciation	-	-	-	-	-		-	-	-	**12,965,506**	**8,600**	-	**12,974,106**
Net book value	-	-	-	-	-	-	-	-	-	**(106,669)**	**(55,900)**	-	**(162,569)**
Depreciation for the year	-	-	**(4,359,504)**	**(12,846,510)**	**(265,010)**	**(49,400,697)**	**(13,771,102)**	**(1,341,507)**	-	**(9,210,594)**	**(879,502)**	-	**(92,074,426)**
Closing net book value	**12,095,494**	**5,000,000**	**105,438,129**	**7,008,246**	**432,387**	**478,759,641**	**49,934,756**	**10,602,042**	**10**	**54,041,520**	**2,622,838**	**1**	**725,935,064**
As at June 30, 2022													
Cost	**12,095,494**	**5,000,000**	**268,039,747**	**39,316,102**	**12,819,637**	**1,050,568,991**	**129,225,478**	**21,421,211**	**311,295**	**79,472,368**	**6,588,086**	**193,425**	**1,625,051,834**
Accumulated depreciation	-	-	**(162,601,618)**	**(32,307,856)**	**(12,387,250)**	**(571,809,350)**	**(79,290,722)**	**(10,819,169)**	**(311,285)**	**(25,430,848)**	**(3,965,248)**	**(193,424)**	**(899,116,770)**
Net book value	**12,095,494**	**5,000,000**	**105,438,129**	**7,008,246**	**432,387**	**478,759,641**	**49,934,756**	**10,602,042**	**10**	**54,041,520**	**2,622,838**	**1**	**725,935,064**

		Note	2022	2021
4.1.1	Depreciation for the year has been allocated as under :		Rupees	
	- Manufacturing and service expense	*24*	**66,315,699**	74,873,101
	- Fuel and power	*24.3*	**15,525,925**	15,522,158
	- Administration expenses	*25*	**10,232,802**	6,790,306
			92,074,426	97,185,565

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

Location	Usage of Immovable Property	Area
SF-96, S/I.T.E, Karachi	Warehouse	11,250 squre feets
Hub Industrial Trading Estate, Balochistan	Mill	85,703 square metres

		2022	2021
4.2	**Capital work in progress**	Rupees	
	Opening balance	**2,724,674**	2,553,916
	Additions during the year	**64,374,417**	720,758
		67,099,091	3,274,674
	Less: transfer to fixed assets	**(45,000,000)**	-
		22,099,091	3,274,674

5. RIGHT-OF-USE ASSETS

	Survey No.53 and 55, Kemari Town, Karachi	33-D-2, Block-6, Shahra-e-Faisal, Karachi	Total
	Rupees		
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
Movement during the year ended June 30, 2021			
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
Movement during the year ended June 30, 2022			
Opening net book value	**13,147,270**	**47,941,800**	**61,089,070**
Depreciation for the year	**(10,517,815)**	**(7,990,300)**	**(18,508,115)**
Closing net book value	**2,629,455**	**39,951,500**	**42,580,955**

As at June 30, 2022			
Cost	**34,182,900**	**63,922,400**	**98,105,300**
Accumulated depreciation	**(31,553,445)**	**(23,970,900)**	**(55,524,345)**
	2,629,455	**39,951,500**	**42,580,955**
Depreciation rate (per annum)	**61.54%**	**25.00%**	

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	1-Jul-19
Lease commencement date	1-Oct-17	1-Jul-19
Initial contracted term of the lease	5 years	11 Months
Availability of extension option	Yes	Yes
Assessed lease term	39 months	8 years

	Note	2022	2021
5.2 Depreciation for the year has been allocated as under :	*Note*	Rupees	
- Manufacturing and service expense	*24*	**13,061,668**	10,517,815
- Administration expenses	*25*	**5,446,447**	7,990,300
		18,508,115	18,508,115

6. LONG TERM DEPOSITS AND PREPAYMENTS

	2022	2021
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

7. STOCK-IN-TRADE

	2022	2021
Raw material		
- In hand	**122,879,324**	141,019,643
- In transit	**66,481,191**	8,686,960
	189,360,515	149,706,603
Work in process	**27,994,064**	13,904,366
Finished goods	**229,446,544**	116,735,022
Waste materials	**344,425**	1,103,350
Packing materials	**4,951,494**	5,104,695
	452,097,042	286,554,036

8. TRADE DEBTS

Receivables against sale of goods- Local		**448,797,019**	442,391,605
Receivables against rendering of cold storage services		**79,710,477**	79,100,373
Receivables against distribution of petroleum products		**89,116,232**	122,602,087
		617,623,728	644,094,065
Less: provision for doubtful debts	*8.1*	**(4,829,636)**	(4,600,000)
		612,794,092	639,494,065

8.1 Movement in provision for doubtful debts

	Note	**2022**	2021
		Rupees	
Balance at the beginning of the year		**4,600,000**	750,000
Reversal of provision		**(3,530,240)**	-
Further charge recognized during the year		**3,759,876**	3,850,000
Balance at the end of the year		**4,829,636**	4,600,000

9. LOANS AND ADVANCES

Loans to employees	*9.1*	**8,234,216**	5,705,343
Advances			
- to contractors		**215,000**	120,000
- to suppliers		**11,956,796**	29,996,892
- to staff		**133,421**	1,060,921
		12,305,217	31,177,813
		20,539,433	36,883,156

9.1 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. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	**2022**	2021
		Rupees	
Deposits		**1,126,408**	886,408
Prepayments		**2,166,860**	1,925,083
		3,293,268	2,811,491

11. SHORT TERM INVESTMENT

Investment in Habib Islamic Investment Certificate	*11.1*	**1,705,555**	1,705,555
Investment in units of mutual funds	*11.2*	**958,764**	25,017,282
		2,664,319	26,722,837

11.1 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 (2021: 4.40% to 8.25% p.a).

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

2022	2021	Fund name	2022 Cost	2022 Fair value	2021 Cost	2021 Fair value
-- (Number of units) --			Rupees			
3,028	125,136	Faysal Islamic Cash Fund	**302,766**	**302,766**	12,513,594	12,513,594
-	124,342	First Habib Islamic Income Fund	-	-	12,541,084	12,503,683
6,560	-	Al Habib Islamic Saving Funds	**655,998**	**655,998**	-	-
9,588	249,478		**958,764**	**958,764**	25,054,678	25,017,277

12. CASH AND BANK BALANCES

	Note	2022	2021
		Rupees	
Cash in hand		**13,171,206**	2,820,352
Cash at bank - Islamic bank			
- Balance held in current accounts		**23,319,872**	36,752,782
- Balance held in savings accounts	*12.1*	**18,828,880**	57,009,732
- Term Deposit Receipt (TDR)	*12.2*	**14,925,000**	33,550,000
		57,073,752	127,312,514
		70,244,958	130,132,866

12.1 These carry profit at the rates ranging between 6% to 10% (2021: 4.5% to 6.3%) per annum.

12.2 This represents Islamic Term Deposit Receipt (TDR) placed with M/s. Bank Al-Habib Limited carrying markup ranges from 5.5% to 11% (2021: 5.5% to 10%).

13. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021		2022	2021
No. of shares			Rupees	
		Ordinary shares of Rs. 10/- each issued:		
6,406,250	6,406,250	- for cash	**64,062,500**	64,062,500
5,693,750	4,593,750	- as bonus shares	**56,937,500**	45,937,500
12,100,000	11,000,000		**121,000,000**	110,000,000

13.1 There are no agreements among shareholders for voting rights, board selection, rights of first refusal and block voting.

14. LEASE LIABILITY

	Note	2022	2021
		Rupees	
Opening balance		**78,265,544**	90,139,028

Payments made during the year		**(15,979,632)**	(24,098,482)
Finance charges		**11,860,645**	12,224,998
		74,146,557	78,265,544
Less: Current portion shown under current liabilities		**(33,859,137)**	(24,925,670)
Closing balance		**40,287,420**	53,339,874

15. LONG TERM FINANCING

Diminishing musharaka	*15.1*	**15,026,165**	31,166,224
Islamic Auto Finance	*15.2*	**1,280,067**	1,841,269
Financing under SBP Refinance Scheme for Payment of Salaries and Wages	*15.3*	**-**	18,735,429
Financing under ITERF	*15.4*	**95,278,903**	-
		111,585,135	51,742,922

15.1 Long term Musharaka under shariah arrangement

- Habib Metropolitan Bank Limited	*15.1.1*	**27,374,431**	56,279,551
- Bank Al-Habib Limited	*15.1.2*	**20,280,391**	27,851,846
		47,654,822	84,131,397
Less: Current maturity shown under current liabilities		**(32,628,657)**	(52,965,173)
		15,026,165	31,166,224

15.1.1 Habib Metropolitan Bank

Date of Disbursement	Nature of loan	Amount Disbursed (Rs.)	Limit (June 30,2022)	Limit (June 30,2021)	Profit Rate (June 30,2022)	Profit Rate (June 30,2021)	Floor (June 30,2022)	Floor (June 30,2021)	Ceiling (June 30,2022)	Ceiling (June 30,2021)	Principal Outstanding as at June 30, 2022	Principal Outstanding as at June 30, 2021	Ending Date	Security
28-Oct-16	Generator Waukesha Model VHP 5904 LTD. (DM-373)	30,716,842	**26.948 million**	52.252 million	**6M KIBOR + 2%**	6M KIBOR + 2%	**10%**	6.0%	**20%**	13%	**4,095,586**	10,238,950	02-Feb-23	1st Charge registered over specific machinery value Rs. 38.396 million with 40% margin duly Takaful in Bank's favor covering all risk with contribution receipt.
16-Feb-17	4 Sets Drawframes Rieter (DM-410)	26,073,600			**6M KIBOR + 2%**	6M KIBOR + 2%	**10%**	6.0%	**20%**	13%	**4,345,600**	9,560,320	26-Apr-23	1st Charge registered over specific machinery value Rs. 32.592 million with 40% margin duly Takaful in Bank's favor covering all risk with contribution receipt.
02-May-17	14 Sets Complete Ring Spinning Frames. (DM-411)	55,442,587			**6M KIBOR + 2%**	6M KIBOR + 2%	**6%**	6.0%	**13%**	13%	**10,164,480**	21,252,996	22-May-23	1st Charge registered over specific machinery value Rs. 69.303 million with 40% margin duly Takaful in Bank's favor covering all risk with contribution receipt.
07-Apr-17	4 Sets Twister Machine China. (DM-420)	8,660,544			**6M KIBOR + 2%**	6M KIBOR + 2%	**10%**	6.0%	**20%**	13%	**1,732,101**	3,464,217	20-Jun-23	1st Charge registered over specific machinery value Rs. 10.826 million with 40% margin duly Takaful in Bank's favor covering all risk with contribution receipt.
29-Sep-20	HMBL DM -814 (Toyota Corolla Atlis)	3,184,000	**8.429 Million**	11.8 Million	**6M KIBOR + 3%**	-	**10%**	7%	**20%**	14%	**1,326,667**	2,388,001	29-Sep-23	1) DM Assets 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 Mr. Younus Nawab, Irfan Nawab, Ibrahim Younus and Mr. Faizanullah.
08-Dec-20	HMBL DM -820 (Kia Sportage Awd)	4,404,000			**6M KIBOR + 3%**	-	**10%**	6%	**20%**	13%	**2,202,000**	3,670,002	08-Dec-23	
23-Sep-20	HMBL DM -824 (Kia Picanto)	1,655,200			**6M KIBOR + 3%**	-	**10%**	6%	**20%**	13%	**689,662**	1,241,398	23-Sep-23	
15-Feb-21	HMBL DM -848 (Toyota Corolla Yaris)	2,196,000			**6M KIBOR + 3%**	-	**10%**	6%	**20%**	12%	**1,220,000**	1,952,000	15-Feb-24	
30-Mar-21	HMBL DM-856 (Toyota Corolla Atlis)	2,740,000			**6M KIBOR + 3%**	-	**10%**	6%	**20%**	13%	**1,598,335**	2,511,667	30-Mar-24	
											27,374,431	56,279,551		

15.1.2 Bank Alhabib Limited

Date of Disbursement	Nature of loan	Amount Disbursed (Rs.)	Limit (June 30,2022)	Limit (June 30,2021)	Profit Rate (June 30,2022)	Profit Rate (June 30,2021)	Floor (June 30,2022)	Floor (June 30,2021)	Ceiling (June 30,2022)	Ceiling (June 30,2021)	Principal Outstanding as at June 30, 2022	Principal Outstanding as at June 30, 2021	Ending Date	Security
28-Jun-18	BAHL - DM-4156/2018	64,903,000	-	70 million	-	6M KIBOR + 1.75%	-	6.0%	-	15%	-	21,634,625	28-Jun-22	- Exclusive charge over DM assets financed by the Bank with 20% margin. '- Constructive equitable mortgage charge over Land, Building, Plant and Machinery of Rs. 100 Million located at Deh Gondpass, situated at Tapo Gabopat, Kemari Town, Karachi. '- Personal Guarantee of all directors covering aggregate exposure. '- Cross Corporate Guarantee of Sana Industries Limited covering aggregate exposure.
18-Oct-18	BAHL - DM-6899/2018	2,100,000	-	4 million	-	6M KIBOR + 1.75%	-	6.0%	-	15%	-	258,586	18-Oct-21	- Exclusive charge over DM-II assets financed by the Bank with 20% margin. '- Personal Guarantee of all directors covering aggregate exposure.
13-Dec-21	BAHL - DM-8887/21 (Toyota Fortuner)	7,286,400	14.512 million	-	6M KIBOR + 1.75%	-	6%	-	20%	-	6,831,000	-	13-Dec-2024	1. Registered Specific Hypothecation Charge over Specific DM Assets For Rs. 14.512 Mn. 2. Personal Guarantee of following directors covering aggregate exposure. a) Mr. Muhammad Irfan Nawab, b) Mr. Ibrahim Younus, c) Mr. Muhammad Younus Nawab. 3. HPA Marking over Vehicles in favour of bank.
13-Dec-21	BAHL - DM-8888/21 (Toyota Corolla)	3,100,000			6M KIBOR + 1.75%	-	6%	-	20%	-	3,000,000	-	13-Dec-2024	
29-Mar-21	For the purchase of vehicle. (DM - 2780/2021)	1,306,400	15.518 million	11.875 million	3M KIBOR + 1.75%	3M KIBOR + 1.75%	6.0%	6.0%	20%	20%	806,894	1,267,976	29-Mar-24	1 - Counter Bank Gurantee 2 - Registered specific Hypothecation charge over specific DM Assets for Rs 11.875Mn 3 - 15% cash margin in shape of TDR or Lien on Company account 4 - Registered specific hypothecation over specific DM Assets for Rs 7,824,000 with HPA marking 5 - PGs of all directors
29-Mar-21	For the purchase of vehicle. (DM - 2781/ 2021)	1,306,400			3M KIBOR + 1.75%	3M KIBOR + 1.75%	6.0%	6.0%	20%	20%	806,894	1,267,976	29-Mar-24	
29-Mar-21	For the purchase of vehicle. (DM - 2782/ 2021)	1,306,400			3M KIBOR + 1.75%	3M KIBOR + 1.75%	6.0%	6.0%	20%	20%	806,894	1,267,976	29-Mar-24	
29-Mar-21	For the purchase of vehicle. (DM - 2783/ 2021)	2,220,000			3M KIBOR + 1.75%	3M KIBOR + 1.75%	6.0%	6.0%	20%	20%	1,371,177	2,154,707	29-Mar-24	
22-Oct-21	For the purchase of vehicle. (DM - 7569/ 2021)	1,922,250			3M KIBOR + 1.75%	-	6.0%	-	20%	-	1,583,029	-	22-Oct-24	
22-Oct-21	For the purchase of vehicle. (DM - 7570/ 2021)	765,000			3M KIBOR + 1.75%	-	6.0%	-	20%	-	612,001	-	22-Oct-24	
22-Oct-21	For the purchase of vehicle. (DM - 7571/ 2021)	765,000			3M KIBOR + 1.75%	-	6.0%	-	20%	-	612,001	-	22-Oct-24	
22-Oct-21	For the purchase of vehicle. (DM - 7572/ 2021)	765,000			3M KIBOR + 1.75%	-	6.0%	-	20%	-	612,001	-	22-Oct-24	
18-May-2022	For the purchase of vehicle. (DM - 4253/ 2022)	1,414,500			3M KIBOR + 1.75%	-	6.0%	-	20%	-	1,414,500	-	18-May-25	
18-May-2022	For the purchase of vehicle. (DM - 4254/ 2022)	912,000			3M KIBOR + 1.75%	-	6.0%	-	20%	-	912,000	-	18-May-25	
											20,280,391	27,851,846		

		2022	2021
15.2	**Islamic Auto Finance**	Rupees	
	Total loan outstanding	**2,039,330**	2,535,425
	Current maturity shown under current liabilities	**(759,263)**	(694,156)
		1,280,067	1,841,269
15.2.1	**Movement of Islamic Auto Finance**		
	Opening balance	**2,535,425**	3,129,773
	Less: Repayments made during the year	**(496,095)**	(594,348)
	Closing balance	**2,039,330**	2,535,425
15.3	**Financing under SBP Refinance Scheme for Payment of Salaries and Wages**		
	Balance at the beginning of the year	**77,947,481**	52,354,827
	Loan obtained during the year	**-**	52,169,318
	Element of government grant recognized as deferred income	**-**	(4,090,600)
		-	48,078,718
	Rentals paid during the year	**(56,763,187)**	(30,458,431)
	Interest accrued during the year	**5,986,646**	7,972,367
		27,170,940	77,947,481
	Current portion shown under current liabilities	**(27,170,940)**	(59,212,052)
		-	18,735,429

15.3.1 The Group has obtained a long term financing facility amounting to Rs. 61.308 million from M/s. Habib Metropolitan Bank Limited and Rs. 48.863 million from M/s. Bank Al-Habib Limited 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 facility is secured by first pari passu charge on current and fixed assets of the Group (including Land, Building, Plant and Machinery).

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 3% per annum (2021: 3% per annum);

(b) The tenor of the each tranche of the facility is 2.5 years (including 6-month grace period commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 8 equal quarterly instalments.

Since the facility carries an interest rate which is well below the market interest rate prevailing as on the date of disbursement of funds, in accordance with Circular 11 of 2020 dated August 17, 2020 issued by the Institute of Chartered Accountants of Pakistan (ICAP), the financing is considered to contain an element of government grant as per the IAS 20 '*Accounting for Government Grants and Disclosure of Government Assistance*'.

Accordingly, the Group measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value as deferred income in the statement of financial position. This deferred income is being recognized as other income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

15.4 Financing under Islamic Temporary Economic Refinance Facility (ITERF)

	2022	2021
	Rupees	
Loan proceeds received from the Bank Al Habib Ltd	**90,565,800**	-
Loan proceeds received from the Dubai Islamic Bank Ltd	**43,255,760**	-
Loan obtained during the year	**133,821,560**	-
Element of government grant recognized as deferred income	**(29,567,217)**	-
	104,254,343	-
Interest paid during the year	**(1,466,321)**	-
Interest accrued during the year	**5,890,589**	-
	108,678,611	-
Current portion shown under current liabilities	**(13,399,708)**	-
	95,278,903	-

15.4.1 During the year, the Holding Company obtained a long-term financing facility amounting to Rs. 90.565 million from M/s. Bank Al Habib Limited (BAHL) under the SBP's Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 of 2020 dated March 17, 2020 in order to meet Group's Capital expenditure requirement.

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 5% per annum;

(b) The tenor of the each tranche of the facility is 7 years (including 1-year moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 24 equal quarterly instalments.

(d) The arrangement is secured against the following:

- Registered exclusive hypothecation charge over specific plant and machinery amounting to Rs 187.50 million;

- Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab.

- Equitable mortgage over land, building and plant and machinery amounting to Rs. 551.4 million over survey 54 , located at Kemari Town.

- Interim comfort security over survey 53 and 55, located at Kemari Town.

15.4.2 During the year, the Group obtained a long-term financing facility amounting to Rs. 43.225 million from M/s. Dubai Islamic Bank Limited (DIB) under the SBP's Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 of 2020 dated March 17, 2020 in order to meet company's Capital expenditure requirement.

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 5% per annum;

(b) The tenor of the each tranche of the facility is 7 years (including 1-year moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 24 equal quarterly instalments.

(d) The arrangement is secured against the first pari passu charge over machinery.

15.4.3 Since the facilities carries the markup rate of 5% which is well below the market interest rate prevailing as on the date of disbursement of funds, therefore, in accordance with technical opinion issued by the Accounting Standards Board of the Institute of Chartered Accountants of Pakistan (ICAP) in November 2020, the financing is considered to contain an element of government grant as per the IAS 20 *'Accounting for Government Grants and Disclosure of Government Assistance'.* Accordingly, at initial recognition, the Group measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the banks and the said fair value, as deferred government grant in the statement of financial position. This deferred grant is being recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

			2022	2021
16.	**DEFERRED LIABILITIES**	*Note*	Rupees	
	Deferred government grant	*16.1*	**20,611,354**	829,839
	Provision for compensated absences	*16.2*	**123,238**	831,315
	Staff retirement benefits - defined benefit plan (gratuity)	*16.3*	**52,116,056**	34,683,517
	Gas infrastructure development cess	*16.4*	**49,471,304**	69,446,121
			122,321,952	105,790,792
16.1	**Deferred government grant**			
	Opening balance		**4,121,792**	5,464,916
	Add: Element of government grant recorded during the year		**29,567,217**	4,090,602
	Less: Amortization of government grant during the year		**(6,751,607)**	(5,433,726)
			26,937,402	4,121,792
	Current maturity shown under current liabilities		**(6,326,048)**	(3,291,953)
			20,611,354	829,839
16.2	**Provision for compensated absences**			
	Balance at beginning of the year		**831,315**	831,315
	Benefits paid during the year		**(708,577)**	-
	Balance at end of the year		**122,738**	831,315

16.3 **Staff retirement benefits**

The Holding 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 Sind Trust Act, 2020, 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, 2022 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	**2022**	2021
		Rupees	
Present value of defined benefit obligation	*16.3.1*	**(99,103,894)**	(88,065,412)
Fair value of plan assets	*16.3.2*	**46,987,838**	53,381,895
		(52,116,056)	(34,683,517)

16.3.1 Movement in defined benefit obligation

	2022	2021
Opening defined benefit obligation	**88,065,412**	91,008,675
Current service cost	**8,427,853**	6,912,658
Interest Cost	**8,256,936**	6,932,448
Benefits paid by the fund	**(6,278,393)**	(18,900,938)
Remeasurement loss on obligation	**632,086**	2,112,569
Closing defined benefit obligation	**99,103,894**	88,065,412

16.3.2 Movement in the fair value of plan assets

	2022	2021
	Rupees	
Balance at beginning of the year	**53,381,895**	56,301,972
Expected return on plan assets	**5,815,040**	4,212,405
Contribution	**5,000,000**	3,200,000
Benefits paid by the fund	**(6,278,393)**	(18,900,938)
Remeasurement loss on plan assets	**(10,930,704)**	8,568,456
Balance at end of the year	**46,987,838**	53,381,895

16.3.3 Expense recognized in the statement of profit or loss

	2022	2021
Current service cost	**8,427,853**	6,912,658
Net interest expense	**2,441,896**	2,720,043
	10,869,749	9,632,701
Allocation of expense		
- Cost of sales	**4,347,900**	3,853,080
- Administrative expenses	**5,652,269**	5,009,005
- Distribution cost	**869,580**	770,616
	10,869,749	9,632,701

16.3.4 Remeasurement recognised in other comprehensive income

	2022	2021
Remeasurement of the present value of defined benefit obligation		
- Financial assumptions	**2,469,310**	(1,829,327)
- Experience adjustments	**(1,837,224)**	3,941,896
	632,086	2,112,569
Remeasurement of the fair value of plan assets		
- Financial assumptions	**(10,930,704)**	(8,568,456)
	(10,298,618)	(6,455,887)

16.3.5 Sensitivity analysis

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

June 30, 2022	Change in assumption	Increase in assumption	Decrease in assumption
	Impact on defined benefit obligation		
	Rupees		
Discount rate	**1%**	**93,514,787**	**105,612,781**
Expected rate of salary increase	**1%**	**106,026,507**	**93,045,880**
Mortality age	**1 year**	**99,103,895**	**99,103,895**
Withdrawal rates	**10%**	**99,103,895**	**99,103,895**

June 30, 2021	Change in assumption	Increase in assumption	Decrease in assumption
	Impact on defined benefit obligation		
	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

16.3.6 Principal assumptions used in valuation of gratuity

	2022	2021
Withdrawal Rates	**Moderate**	Low
Mortality rates	**SLIC 2001-2005**	SLIC 2001-2005
Expected rate of increase in future salary (per annum)	**13.25%**	10.00%
Discount rate - per annum	**13.25%**	10.00%
Expected rate of return on plan assets	**13.25%**	10.00%
Normal retirement age	**60 years**	60 years

16.3.7 Composition of plan assets

	2022	2021
	Rupees	
Equity securities and units of mutual funds	**45,594,298**	46,766,560
Bank balances	**198,160**	5,419,955
Investment Certificate	**1,195,380**	1,195,380
	46,987,838	53,381,895

16.4 Provision for Gas Infrastructure Development Cess

During the year ended June 30, 2021, the Supreme Court (SC) passed two judgements; one dated August 13, 2020, thereby upholding the levy of GIDC imposed vide GIDC Act, 2015, and stopping further levy with effect from August 13, 2020. The other judgement dated November 2, 2020 directed payment of amount levied till that date in 48 instalments instead of 24 instalments allowed in order dated August 13, 2020. In view of these judgments of the Apex Court, the Holding Company has recognized a provision based on units consumed at applicable rates amounting to Rs. 94.95 million (calculated on an undiscounted basis).

In 2021, payment of cess was expected to commence from September 2022, however, this matter could not be taken up by the government due to political uncertainties. Management now expects that payment of cess to commence from September 2024. Accordingly, the effect of change in date of commencement of payment amounting to Rs. 27.2 million has been recognized during the year in these consolidated financial statements.

Further, in 2021, the Holding Company also filed a petition with the Sindh High Court (SHC) claiming that they fall within the category of gas consumers who have not passed on the burden of cess to their customers. SHC vide its order dated September 29, 2020, restrained the defendants from taking any coercive action against the plaintiffs for non-payment of installments of GIDC arrears and also from disconnection of gas connections, based on which the Holding Company is not making payments for the disputed amount as mentioned above.

16.4.1 **Gas infrastructure cess liability**	*Note*	**2022**	2021
		Rupees	
Opening balance		**69,446,121**	-
Gas infrastructure cess liability recorded during the year		**-**	63,915,582
Unwinding of GIDC liability		**7,271,916**	5,530,539
Effect of change in accounting estimate due to change of date of 1st Installment		**(27,246,733)**	-
Closing balance		**49,471,304**	69,446,121

17. SHORT TERM BORROWINGS

Istisna financing			
- Habib Metropolitan Bank Limited	*17.1*	**275,756,087**	282,582,668
Murabaha financing			
- Standard Chartered Bank Limited		-	123,076,417
- Bank Al Habib Limited	*17.2 & 17.3*	**199,759,493**	180,081,425
		199,759,493	303,157,842
Dubai Islamic Bank	*17.4*	**184,926,277**	-
		660,441,857	585,740,510

17.1 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, 2021: 300 million) as a sub-limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2021: 6 months KIBOR + 3%). The maximum tenor of the Istisna Financing is 180 days.

The arrangement is secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to RS 550 million with the 40% margin;
- 1st charge registered over stocks / receivables amounting to Rs. 400 million with a 25% margin; and
- Token registered mortgage of Rs. 0.5 million and the rest equitable mortgage over industrial plots of land.

17.2 The Holding Company has obtained short term murabaha financing 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;

- Lien on import documents consigned to the order of Bank Al-Habib Limited;

- Equitable mortgage over land, building and plant and machinery amounting to Rs. 551.4 million over survey 54 , located at Kemari Town and;

- Interim comfort security over survey 53 and 55, located at Kemari Town.

17.3 The Subsidiary Company, M/s. Sana Distributors (Private) Limited has obtained short term murabaha financing under shariah arrangement from M/s. Bank Al Habib Limited to finance inventory. The bank has approved a facility of Rs. 75 million. The mark-up rate on the financing is 6 months average KIBOR + 1.75% per annum. The maximum tenor of the Murabaha Financing is 90 days.

The arrangement is secured against the following:

- First charge over all current assets (present & future) for Rs. 232.67 million with 25% Margin;

- First Charge over all current assets (present & Future) for Rs.76 Million with 25% Margin.

- MOTD for Rs. of Rs.551400 Million over 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. Younus Nawab.

17.4 Short term wakala financing has been obtained under shariah arrangement for the purchase of raw material. The bank has approved the facility of Rs. 230 million. The markup rate on the facility is matching KIBOR + 1.75% per annum. The maximum tenor is 180 days.

The arrangement is secured against the following:

- 1st pari passu hypothecation charge over current assets of the company with 25% margin amounting to Rs. 307 million;
- 1st pari passu hypothecation charge over land and building of the company situated at plot no. B-183, 184, 185, 186, 187, 197, 198 and 199, Khasra number 760, 761,767 and 770 Hub Industrial Estate, Lasbela, Baluchistan owned by M/s. Sana Industries Limited with 25% margin amounting Rs. 307 million;

- Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab; along with personnel net worth statements and;

- Lien over import documents.

17.5 As at June 30, 2022, the Group has unavailed financing facilities of Rs. 69.54 million (2021: Rs.33.19 million).

		2022	2021
18. TRADE AND OTHER PAYABLES	*Note*	——— Rupees	———

Creditors		**154,624,580**	114,711,167
Advance from customer	*18.1*	**57,058,322**	24,005,624
Accrued expenses		**35,609,592**	32,507,165
Gas rate difference	*18.2*	**70,706,532**	56,040,620
Workers' Profits Participation Fund	*18.3*	**19,997,203**	17,158,747
Workers' Welfare Fund		**3,596,811**	2,799,348
Sales tax payable		**13,243,390**	27,949,541
Income tax payable		**1,418,409**	1,248,097
Others		**15,043,463**	21,541,382
		371,298,302	297,961,691

18.1 During the year, the performance obligations underlying the opening contract liability of Rs. 24.005 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. 57.058 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

18.2 On August 31, 2015, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. 876(I)/2015 whereby, with effect from September 01, 2015, the sale price of natural gas for gas consumers falling under the category 'Industrial' was increased to Rs. 600 per MMBTU (as against the previously applicable tariff of Rs. 488.23 per MMBTU notified vide S.R.O. 01(I)/2013 dated January 01, 2013). The said notification was widely challenged by companies operating in the textile industry (including the Holding Company vide Suit No. 129 of 2017) before the Honourable High Court of Sindh ('the Court'). In its interim order dated January 18, 2017, the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 488.23 per MMBTU and the differential amount of Rs. 111.77 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, until September 2018, the Holding Company continued to pay its monthly gas bills at the rate of Rs. 488.23 per MMBTU and recognized a provision for the differential liability which, as at June 30, 2022, amounted to Rs. 51.506 million (2021: Rs. 51.506 million).

Further, on October 23, 2020, OGRA issued S.R.O whereby, with effect from September 01, 2020, the sale price of natural gas for the aforesaid class of gas consumers was increased to Rs. 852 per MMBTU (as against the previously applicable tariff of Rs. 786 per MMBTU). The said notification was also widely challenged by companies operating in the textile industry (including the Holding Company vide Suit No. 1790 of 2020) before the Court. In its interim order dated May 25th, 2021 the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 786 per MMBTU and the differential amount of Rs. 66 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, with effect from September 2020, the Holding Company has been recognizing a provision for the differential rate of Rs. 66 per MMBTU which, as at June 30, 2022, accumulated up to Rs. 19.201 million (2021: Rs. 4.535 million).

As of reporting date, both the matters as afore-said are pending for adjudication before the court. The outstanding liability shall be settled once the decision of court is announced.

18.3 Workers' profit participation fund

	2022	2021
	Rupees	
Opening balance	**17,158,747**	13,031,537
Add:		
- Contribution for the year	**9,448,611**	7,366,706
- Interest accrued	**757,551**	-

	10,206,162	7,366,706
Less: Payment during the year	**(7,367,706)**	(3,239,496)
	19,997,203	17,158,747

19. **ACCRUED MARKUP**

Short term borrowings	**17,809,928**	9,780,308
Long term financing - Diminishing Musharaka	**235,735**	187,015
	18,045,663	9,967,323

20. **LOANS FROM DIRECTORS AND ASSOCIATES**

From directors of holding company and sponsors :		
Unsecured		
Loan from directors'	**3,500,000**	4,660,000
Loan from sponsors'	**-**	2,000,000
	3,500,000	6,660,000
From directors of subsidiary Companies and their spouses :		
Unsecured		
Loan from directors'	**28,305,000**	24,596,135
Loan from spouses of directors	**33,250,000**	18,000,000
	61,555,000	42,596,135
	65,055,000	49,256,135

20.1 These represents short-term interest free borrowings from directors and their spouses and sponsors to meet working capital requirements. The loans are repayable on demand.

21. **CURRENT MATURITY OF LONG TERM FINANCING**

	2022	2021
	Rupees	
Long term liability	**-**	5,118,888
Diminishing musharaka	**32,628,657**	52,965,173
Islamic Auto Finance	**759,263**	694,156
Financing under SBP Refinance Scheme for		
Payment of Salaries and Wages	**27,170,940**	59,212,052
ITERF	**13,399,708**	-
	73,958,568	117,990,269

22. **CONTINGENCIES AND COMMITMENTS**

22.1 **Contingencies**

22.1.1 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.

22.1.2 As explained in note 16.4, Holding 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.

22.1.3 The Holding Company approached the Lasbella Industrial Estates Development Authority (LIEDA) to charge concessional rate on electricity distributed to the Holding Company as the Holding 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 Holding 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.

			2022	2021
22.2	**Commitments**	*Note*	Rupees	
	In respect of:			
	- Irrevocable letter of credit issued for purchase of raw material and plant & equipments.		**483,268,080**	358,429,992
	- Custom duties, sales tax and income taxes on stock in transit.		**13,851,826**	5,018,520
	- Revolving letter of guarantee issued by a Habib Metropolitan Bank Limited in favour of SSGC Limited against Gas Bills.		**31,610,615**	29,376,305

23. REVENUE - NET

	2022	2021
Textile		
Local sales	**3,085,624,139**	2,483,854,040
Raw material sales	**-**	21,537,860
Wastage sales	**8,324,416**	10,609,395
	3,093,948,555	2,516,001,295
Less: Related sales tax	**(461,411,479)**	(381,984,683)
Less: Commission and discounts	**(1,939,538)**	(5,017,211)
	2,630,597,538	2,128,999,401
Cold storage and related services		
Service rendered income	**322,958,705**	310,739,306
Less: Related sales tax	**(38,030,463)**	(36,593,259)
	284,928,242	274,146,047
Distribution of products		
Revenue - gross	**1,411,654,276**	486,075,021
Less: Sales returns and discounts	**(300,917,318)**	(100,113,246)
	1,110,736,958	385,961,775
Less: Sales tax	**(201,882,145)**	(71,710,864)
	908,854,813	314,250,911

		3,824,380,593	2,717,396,359

			2022	2021
24.	**COST OF SALES AND SERVICES**	*Note*	Rupees	
	Raw and packing materials consumed	*24.1*	**1,660,613,177**	1,139,273,520
	Cost of finished goods sold	*24.2*	**841,988,779**	279,084,940
	Manufacturing and services expenses			
	Stores and spares consumed		**103,624,830**	84,097,856
	Salaries, wages and benefits	*24.4*	**463,440,380**	371,157,783
	Fuel and power	*24.3*	**340,776,733**	292,230,286
	Services procured		**5,165,797**	7,450,741
	Repairs and maintenance		**29,487,608**	29,520,655
	Vehicle repairs and maintenance		**5,007,527**	4,372,020
	Insurance		**5,159,828**	4,951,950
	Rent, rates and taxes		**769,525**	524,185
	Depreciation on operating fixed assets	*4.1.1*	**66,315,699**	74,873,101
	Depreciation on right-of-use assets	*5.2*	**13,061,668**	10,517,815
	Security		**7,789,210**	6,434,237
	Loading and unloading expenses		**10,518,341**	4,405,412
	Entertainment expenses		**2,103,868**	1,189,277
	Printing and stationary expense		**586,210**	489,796
	Transportation and conveyance		**606,160**	562,360
	Uniform expense		**1,136,385**	-
	Communication expense		**918,415**	1,404,590
	Miscellaneous expense		**3,309,845**	2,054,978
	Water expenses		**11,033,776**	9,068,000
	Other manufacturing overheads		**2,824,901**	2,839,616
			1,073,636,706	908,144,658
	Work-in-process - opening stock		**13,904,366**	34,610,933
	Work-in-process - closing stock		**(27,994,064)**	(13,904,366)
			(14,089,698)	20,706,567
	Cost of goods manufactured		**3,562,148,964**	2,347,209,685
	Finished goods - opening stock		**70,631,209**	91,199,918
	Waste material- opening stock		**1,103,350**	2,820,350
	Finished goods - closing stock		**(173,477,436)**	(70,631,209)
	Waste material- closing stock		**(344,425)**	(1,103,350)
			(102,087,302)	22,285,709
			3,460,061,662	2,369,495,394

24.1 Raw and packing materials consumed

Opening stock	**146,124,338**	72,862,452
Add: Purchases during the period	**1,642,319,657**	1,212,535,406
	1,788,443,995	1,285,397,858

Less : Closing stock	**(127,830,818)**	(146,124,338)
	1,660,613,177	1,139,273,520

24.2 Cost of finished goods sold

Opening stock	**46,103,813**	-
Goods purchased during the year	**851,854,074**	325,188,753
Goods available for sale	**897,957,887**	325,188,753
Closing stock	**(55,969,108)**	(46,103,813)
Cost of finished goods sold	**841,988,779**	279,084,940

24.3 Fuel and power	*Note*	**2022**	2021
		Rupees	
Generation cost			
Gas expenses		**173,340,787**	148,397,838
Electricity		**124,635,473**	101,380,288
Oil and lubricants		**-**	1,271,496
Generator operation and maintenance		**25,131,121**	24,341,220
Repairs and maintenance		**1,463,889**	563,277
Depreciation on operating fixed assets	*4.1.1*	**15,525,925**	15,522,158
Insurance		**421,940**	442,559
Electricity duty		**257,598**	311,450
		340,776,733	292,230,286

24.4 This includes amount of Rs. 4.347 million (2021: Rs. 3.853 million) in respect of staff retirement benefits.

25. ADMINISTRATIVE EXPENSES	*Note*	**2022**	2021
		Rupees	
Salaries, wages and other benefits	*25.1*	**24,559,506**	17,260,247
Directors' remuneration	*25.2*	**33,300,000**	50,645,734
Meeting fee		**200,000**	285,000
Printing and stationery		**992,280**	708,207
Legal and professional charges		**2,517,898**	9,107,167
Fees and subscription		**3,178,523**	2,806,051
Communication		**-**	22,605
Travelling and conveyance		**341,310**	16,326
Repairs and maintenance		**4,573,970**	4,316,315
Fuel expenses		**2,324,918**	33,892
Rent, rates and taxes		**-**	-
Entertainment expense		**923,050**	214,690
Depreciation on operating fixed assets	*4.1.1*	**10,232,802**	6,790,306
Depreciation on right-of-use assets	*5.2*	**5,446,447**	7,990,300
Amortization		**143,333**	-
Security expenses		**329,221**	311,702
Water, electricity and gas		**2,792,167**	1,744,255
Insurance		**752,657**	564,224
Donation		**250,000**	100,000
Auditors' remuneration	*25.3*	**1,881,969**	1,577,000
Miscellaneous		**5,689,323**	2,322,537

	100,429,374	106,816,558

25.1 This includes amount of Rs. 1.117 million (2021: Rs. 0.964 million) in respect of staff retirement benefits.

25.2 This includes amount of Rs. 4.535 million (2021: Rs. 4.129 million) in respect of staff retirement benefits.

25.3 Auditors' remuneration	**2022**	2021
	Rupees	
Audit fee (Including consolidation)	**1,512,000**	1,270,000
Half yearly review fee	**242,000**	220,000
Statutory certifications	**60,500**	55,000
Out of Pocket Expenses	**67,469**	32,000
	1,881,969	1,577,000

26. DISTRIBUTION EXPENSES	**2022**	2021
	Rupees	
Salaries, wages and benefits	**6,678,127**	12,098,572
Packing and forwarding expenses	**10,297,393**	10,537,189
Communication	**230,547**	220,981
Marketing & advertisement	**5,452,697**	3,766,526
Transportation expense	**4,636,680**	1,623,005
Sales promotion expenses	**82,230**	-
Miscellaneous expense	**41,727**	117,250
	27,419,401	28,363,523

26.1 This includes an amount of Rs. 0.869 million (2021: Rs. 0.771 million) in respect of staff retirement benefits.

27. OTHER OPERATING EXPENSES	*Note*	**2022**	2021
		Rupees	
Increase in provision for expected credit losses		**3,759,876**	3,850,000
Workers' Profit Participation Fund		**9,448,611**	7,366,706
Workers' Welfare Fund		**3,596,811**	2,799,348
Unrealised loss on re-measurement of investments		**-**	37,395
		16,805,298	14,053,449

28. OTHER INCOME		
Return on deposits - Islamic bank	**1,260,833**	1,123,072
Profit on Habib Islamic Investment Certificate	**93,213**	78,540
Profit on PLS account	**276,397**	148,346
Profit on term deposit	**1,716,766**	152,767
Dividend Income	**1,155,725**	64,326
Indemnification income	**-**	20,500
Gain on re-measurement of long term liability	**-**	5,641,081
Gain on re-measurement of Gas Infrastructure Development Cess	**27,246,733**	-
Reversal of provision for expected credit losses	**3,530,240**	-
Gain on disposal of fixed assets	**17,011,181**	7,732,213

Amortization of government grant		**6,751,607**	5,433,726
Others		**16,072,601**	1,159,350
		75,115,296	21,553,921

29. **FINANCE COSTS**

Markup and interest charges on:			
- Long term finances		**7,645,593**	11,369,035
- Short term borrowings		**74,573,998**	37,753,850
- Markup on lease liability	*14*	**11,860,645**	12,224,998
- SBP re-financing facilities for payment of salaries & wages	*15.3*	**5,986,646**	7,972,369
- Financing under ITERF facility	*15.4*	**5,890,589**	-
Unwinding of interest on long term liability		**2,935,618**	2,096,807
Bank charges		**693,534**	993,356
Finance charges on WPPF		**756,551**	-
Documentation charges		**342,915**	202,020
Unwinding of GIDC liability	*16.4.1*	**7,271,916**	5,530,539
Guarantee commission		**1,377,756**	1,176,306
Local letter of credit charges		**173,527**	169,142
		119,509,288	79,488,422

30. **TAXATION**

	2022	2021
	Rupees	
Current		
- for the year	**52,889,032**	42,286,849
- for prior year	**2,420,966**	5,045,974
	55,309,998	47,332,823
Deferred	**(11,577,017)**	16,033,904
	43,732,981	63,366,727

30.1 The income tax assessments of the Group have been finalized up to, and including, the tax year 2021. 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.

31. **EARNINGS / (LOSS) PER SHARE**

	2022	2021
	Rupees	
Basic earnings per share		
Profit attributable to shareholders of the Holding Company	**123,342,781**	71,355,726
		(Restated)
Weighted average number of ordinary shares	**12,100,000**	10,418,533
		(Restated)

	2022	2021
Earnings per share - basic	**10.19**	6.85

In accordance with the requirement of the International Accounting Standard (IAS) 33 *'Earnings Per Share',* the basic earning per share of the Company for the year ended June 30, 2021 has been retrospectively adjusted for the effect of bonus element contained in the issue of bonus shares made during the year.

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, 2022 and June 30, 2021.

32. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

	Chief Executive		Directors		Executives		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rupees							
Basic Salary	**18,693,000**	16,136,280	**20,301,000**	**14,812,440**	**14,668,533**	3,835,080	**64,717,533**	34,783,800
House rent	**7,254,000**	8,552,535	**7,878,000**	**5,639,120**	**5,692,267**	1,448,240	**25,114,267**	15,639,895
Retirement benefits	**381,986**	1,118,241	**1,035,616**	**636,799**	**3,688,274**	1,002,474	**6,260,876**	2,757,514
Utilities	**3,108,000**	1,685,880	**2,121,000**	**2,064,439**	**1,532,533**	400,680	**6,761,533**	4,150,999
Bonus	**-**	-	**-**	**-**	**425,205**	-	**425,205**	-
Conveyance	**-**	-	**-**	**-**	**35,500**	-	**35,500**	-
	45,936,986	27,492,936	**31,335,616**	11,319,220	**26,042,312**	5,979,637	**103,314,914**	32,788,316
Number of persons	**2**	1	**5**	1	**8**	3		

32.1 In addition to the above, the chief executive and executive director are also provided with free use of Group maintained cars and residential telephones.

32.2 For the purpose of disclosure those employees are considered as executives whose basic salary exceeds twelve hundred thousand rupees in a financial year.

33. CAPACITY AND PRODUCTION

	2022	2021
	Number	
Textile Segment		
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**	7,125,734
Actual production of yarn in Kgs. after conversion into 30 single count	**6,662,976**	6,662,976
Number of shifts worked per day	**3**	3

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

Cold Storage Segment

Installed Capacity- Pallets	**22,000**	22,000
Capacity Utilized- Pallets	**16,000**	12,763

33.2 Actual utilization is less than the installed capacity because the utilisation of capacity depends on the customer demand.

34. FINANCIAL INSTRUMENTS

34.1 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

34.1.1 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 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 :

	2022	2021
	Rupees	
Long-term deposits	**2,756,051**	2,756,051
Trade debts	**612,794,092**	639,494,065
Short term trade deposits	**1,126,408**	886,408
Loans to employees	**8,234,216**	5,705,343
Short term investment	**26,722,837**	26,722,837
Other receivables	**20,186,543**	16,783,402
Bank balances	**57,073,752**	127,312,514
	728,893,899	819,660,620

The maximum exposure to credit risk for trade debts is due from local clients.

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:

	2022		2021	
	Gross	**Life time expected credit losses**	Gross	Life time expected credit losses
	Rupees			
Not past due	**494,102,937**		426,975,366	-
Past due 1 day - 30 days	**56,741,005**	**161,606**	61,681,219	-
Past due 31 days - 120 days	**53,247,813**	**1,717,343**	141,351,074	(1,000,000)
Above 120 days	**13,531,973**	**2,950,687**	14,086,406	(3,600,000)
	617,623,728	**4,829,636**	644,094,065	(4,600,000)

The bank balances along with credit ratings are tabulated below:

Bank	**Rating agency**	**Short- term Rating**	**2022**	2021
			Rupees	
Habib Metropolitan Bank Limited	PACRA	A-1+	**15,306,341**	17,183,157
Meezan Bank Limited	PACRA	A-1+	**2,647,412**	21,965,628
Bank Al-Habib Limited	PACRA	A-1+	**5,682,452**	11,261,066

Bank Al Habib Limited	PACRA	A-1+	[illegible]	[illegible]
Bank Alfalah Limited	PACRA	A-1+	**225,651**	3,149,952
United Bank Limited	JCR-VIS	A-1+	**1,690,210**	1,615,949
National Bank of Pakistan	PACRA	A-1+	**1,450,597**	231,042
Habib Bank Limited	PACRA	A-1+	**4,738,501**	7,074,039
Standard Chartered Bank (Pakistan)	PACRA	A-1+	**604,024**	6,914,171
Faysal Bank Limited	PACRA	A-1+	**624,031**	1,233,342
Dubai Islamic Bank Limited	JCR-VIS	A-1+	**7,867,102**	55,380,319
Al-Baraka Bank Limited	PACRA	A-1	**200,000**	200,000
J.S Bank Limited	PACRA	A-1+	**550,778**	1,103,849
Summit Bank	-	-	**561,653**	-
			42,148,752	127,312,514

34.1.2 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. 70.244 million (2021: Rs. 130.132 million) unutilized credit lines Rs. 69.54 million (2021: Rs. 21.789 million) and liquid assets in the form of short term securities amounting to Rs. 2.6 million (2021: Rs. 26.726 million).

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

	June 30, 2022					
	Carrying amount	**Contractual cashflows**	**Less than six months**	**Six to tweleve months**	**One to Five years**	**More than Five years**
	Rupees					
Lease liability	**74,146,557**	**108,496,700**	**34,971,679**	**14,339,293**	**59,185,728**	**-**
Long term financing	**185,526,902**	**240,008,890**	**52,482,513**	**27,302,871**	**150,431,759**	**9,791,747**
Short term borrowings	**661,556,557**	**661,556,557**	**661,556,557**	**-**	**-**	**-**
Trade and other payables	**214,358,677**	**214,358,677**	**214,358,677**	**-**	**-**	**-**
Loans from directors and associates	**65,055,000**	**65,055,000**	**65,055,000**	**-**	**-**	**-**
Accrued markup	**16,917,764**	**16,917,764**	**16,917,764**	**-**	**-**	**-**
Payable to provident fund	**2,569,074**	**2,569,074**	**2,569,074**	**-**	**-**	**-**
	1,220,130,531	**1,308,962,662**	**1,047,911,264**	**41,642,164**	**209,617,487**	**9,791,747**

	June 30, 2021					
	Carrying amount	Contractual cashflows	Less than six months	Six to tweleve months	One to Five years	More than Five years
	Rupees					

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

34.1.3 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 foreign currency risk, interest rate risk and other price risk.

i) 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.

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.

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

	2022	2021	**2022**	2021
	Effective interest rate (%)		**Carrying amounts (Rs.)**	
Financial assets				
Bank deposits - pls account	**4% - 10%**	4.50% - 6.30%	**18,828,880**	57,009,732
Term deposit receipt	**5.5%-11%**	**6.25%**	**14,925,000**	33,550,000
Short term investment	**4.40% - 8.25%**	4.40% - 8.25%	**1,705,555**	1,705,555
Financial liabilities				
Short term borrowings	**8.9%-18.74%**	10.04% - 17.60%	**660,441,857**	585,740,510

Sensitivity Analysis

The Group 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.

	1% increase	1% (decrease)
As at June 30, 2022		
Cash flow sensitivity-Variable rate financial instrument	**(6,249,824)**	**6,249,824**
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial liabilities	(4,934,752)	4,934,752

ii) 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.

		2022	2021
34.2	**Financial instruments by categories**	**Rupees**	
	Financial assets		
	At amortized cost		
	Long-term deposits	**2,756,051**	2,756,051
	Trade debts	**612,794,092**	639,494,065
	Loans and advances	**8,234,216**	5,705,343
	Short term trade deposits	**1,126,408**	886,408
	Short term investment	**2,664,319**	26,722,837
	Other receivables	**20,186,543**	16,783,402
	Cash and bank balances	**70,244,958**	130,132,866
		718,006,587	822,480,972
	Financial liabilities		
	At amortized cost		
	Lease liability	**74,146,557**	78,265,544
	Long term financing	**185,543,703**	169,733,191
	Short term borrowings	**660,441,857**	585,740,510
	Trade and other payables	**299,578,181**	244,758,429
	Loans from directors and associates	**65,055,000**	49,256,135
	Accrued markup	**18,045,663**	9,967,323
		1,302,810,961	1,137,721,132

35. 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 the reporting 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, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees			
Financial assets mesured at fair value				
Short term investment in units of mutual funds	**958,764**	**-**	**-**	**958,764**

June 30, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees			
Financial assets mesured at fair value				
Short term investments	25,017,282	-	-	25,017,282

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:

	2022	2021
	Rupees	
Borrowings:		
Long term financing	**185,543,703**	169,733,191
Short term borrowings	**660,441,857**	585,740,510
Loans from directors and associates	**65,055,000**	49,256,135
	911,040,560	804,729,836
Shareholders' equity:		
- Issued, subscribed and paid up capital	**121,000,000**	110,000,000
- Unappropriated profit	**387,436,150**	317,952,950
	508,436,150	427,952,950
Total capital managed by the Group	**1,419,476,710**	1,232,682,786

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 32 to these 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

	2022	2021
Names of related party, relationship with related party	**Rupees**	
Mohammad Younus Nawab (Chairman)		
Transactions during the year		
Loan obtained during the year	**10,050,000**	**5,000,000**
Loan repaid during the year	**6,050,000**	**9,400,000**
Balances as at the year end		
Loan payable as of the reporting date	**7,000,000**	**7,000,000**
Mohammad Irfan Nawab (CEO)		
Transactions during the year		
Loan obtained during the year	4,000,000	**2,000,000**
Loan repaid during the year	6,660,000	**200,000**
Balances as at the year end		
Loan payable as of the reporting date	2,000,000	**4,660,000**
Ibrahim Younus (Director)		
Transactions during the year		
Loan obtained during the year	14,370,000	**4,250,000**
Loan repaid during the year	10,050,000	**11,750,000**
Balances as at the year end		
Loan payable as of the reporting date	8,740,000	**4,420,000**
Ismail Younus (Director)		
Transactions during the year		
Loan obtained during the year	14,800,000	**15,200,000**
Loan repaid during the year	18,300,000	**14,000,000**
Balances as at the year end		
Loan payable as of the reporting date	5,600,000	**9,100,000**
Muhammad Faizanullah (Director)		
Transactions during the year		
Loan obtained during the year	2,000,000	**-**
Loan repaid during the year	1,000,000	**1,300,000**
Balances as at the year end		

Loan payable as of the reporting date	1,500,000	**500,000**
Sabiha Younus (Spouse of Chairman / Sponsor)		
Transactions during the year		
Loan obtained during the year	28,700,000	**24,650,000**
Loan repaid during the year	13,450,000	**21,250,000**
Rent paid during the year	2,780,960	**2,978,075**
Balances as at the year end		
Rent payable as of the reporting date		**-**
Loan payable as of the reporting date	33,250,000	**18,000,000**
Afshan Irfan (Spouse of CEO / Sponsor)		
Transactions during the year		
Loan obtained during the year	10,000,000	**46,000,000**
Loan repaid during the year	12,000,000	**49,900,000**
Rent paid during the year	2,780,960	**2,978,075**
Balances as at the year end		
Rent payable as of the reporting date		**-**
Loan payable as of the reporting date	-	**2,000,000**

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 petroleum 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.

Dscription	**June 30 2022**			
	Textile	**Cold Storage**	**Distribution**	**Total**
	Rupees			
Sales revenue - net	**2,630,597,538**	**284,928,242**	**908,854,813**	**3,824,380,593**
Cost of sales and Services	**(2,324,885,585)**	**(270,135,768)**	**(885,611,386)**	**(3,480,632,739)**
Gross Profit	**305,711,953**	**14,792,474**	**23,243,427**	**343,747,854**
Administrative expenses	**(75,556,478)**	**(10,563,569)**	**(18,609,726)**	**(104,729,773)**
Distribution expenses	**(15,164,912)**	**(2,440,006)**	**(9,814,483)**	**(27,419,401)**
Other operating expenses	**(15,112,335)**	**(1,122,963)**	**(570,000)**	**(16,805,298)**
Opertaing profit	**199,878,228**	**665,936**	**(5,750,782)**	**194,793,382**
Other income	**49,705,378**	**8,428,600**	**16,981,316**	**75,115,294**

Other income	49,705,378	8,428,600	16,981,316	75,115,294
Finance costs	(96,148,513)	(12,224,147)	(9,415,021)	(117,787,681)
	(46,443,135)	(3,795,547)	7,566,295	(42,672,387)
Profit / (loss) before taxation	**153,435,093**	**(3,129,611)**	**1,815,513**	**152,120,995**
Taxation	**(54,371,964)**	**1,927,174**	**(2,411,937)**	**(54,856,727)**
Profit / (loss) after taxation	**99,063,129**	**(1,202,437)**	**(596,424)**	**97,264,268**
OTHER INFORMATION				
Segment assets	**1,793,487,099**	**332,622,640**	**230,911,481**	**2,357,021,220**
Total assets				**2,357,021,220**
Segment liabilities	**955,333,554**	**189,516,706**	**160,994,837**	**1,305,845,097**
Total liabilities				**1,305,845,097**
Capital expenditure	**294,951,419**	**6,789,966**	**9,766,959**	**311,508,344**
Total capital expenditure				**311,508,344**
Depreciation	**(66,068,052)**	**(24,110,827)**	**(2,617,997)**	**(92,796,876)**

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**

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)**
Salaries, wages and benefits *(Distribution expenses)*	Loading and unloading expenses *(Cost of sales)*	6,219,516
Operating fixed assets *(Property and equipment)*	Intangible under development *(Intangible)*	550,000

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 October 5, 2022.

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, 2022

# Of Shareholders	Shareholdings'Slab			Total Shares Held
128	1	To	100	2,540
126	101	To	500	30,088
42	501	To	1000	28,332
115	1001	To	5000	284,521
22	5001	To	10000	163,624
14	10001	To	15000	169,567
7	15001	To	20000	116,064
4	20001	To	25000	90,075
2	25001	To	30000	56,737
2	35001	To	40000	76,144
3	40001	To	45000	126,689
3	45001	To	50000	143,878
2	60001	To	65000	122,958
1	65001	To	70000	68,360
2	80001	To	85000	163,605
1	145001	To	150000	147,840
1	230001	To	235000	234,500
2	235001	To	240000	477,362
1	240001	To	245000	244,282
1	260001	To	265000	264,650
1	265001	To	270000	269,438
2	325001	To	330000	655,572
1	335001	To	340000	335,434
1	415001	To	420000	418,796
1	490001	To	495000	494,261
1	530001	To	535000	534,219
1	555001	To	560000	558,369
1	2825001	To	2830000	2,828,046
1	2990001	To	2995000	2,994,049
489				**12,100,000**

SANA INDUSTRIES LIMITED

Pattern of Shareholding

As of June 30, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
IBRAHIM YOUNUS	1	327,786	2.71
ISMAIL YOUNUS	1	327,786	2.71
MOHAMMED FAIZANULLAH	1	269,438	2.23
AREEJ RAFIQUE	1	3,520	0.03
SABIHA YOUNUS	1	558,369	4.61
HAFIZ MOHAMMED IRFAN NAWAB	1	2,994,049	24.74
MOHAMMED YOUNUS NAWAB	1	2,828,046	23.37
AFSHAN IRFAN	1	534,219	4.42
Associated Companies, undertakings and related parties	-	-	-
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	1	259	0.00
Insurance Companies	1	38519	0.32
Modarabas and Mutual Funds	2	494500	4.09
General Public			
a. Local	467	3422591	28.29
b. Foreign	4	2384	0.02
Others	6	298534	2.47
Totals	**489**	**12,100,000**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
MOHAMMED YOUNUS NAWAB	2,828,046	23.37
HAFIZ MOHAMMED IRFAN NAWAB	2,994,049	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 37th Annual General Meeting scheduled to be held on 28th October, 2022 or at any adjournment thereof.

Signed this____ day of ___________________________2022.

Signature of Proxy ____

Signature on Rs.5/- Revenue Stamp

Folio No. of Shareholder____________

No.of Shares held__________________

Signature of Shareholder

WITNESSES

(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.