39th
Annual Report
2023-2024

Year ended 30th June, 2024

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

COMPANY INFORMATION

Board of Directors

Mr.Mohammed Younus Nawab	- Director
Mr.Mohammed Irfan Nawab	- Chief Executive
Mr.Ibrahim Younus	- Chairman
Mr.Ismail Younus	- Director
Mr.Mohammed Faizanullah	- Director
Shaikh Abdus Sami	- Director
Ms.Zainab Hanif Dhedhi	- Chief Director

H.R. & Remuneration Committee

Ms.Zainab Hanif Dhedhi	- Chairperson
Syed Amjad Ahmad	- Secretary
Mr.Mohammed Faizanullah	- Member
Mr.Ismail Younus	- Member

Audit Committee

Shaikh Abdus Sami	- Chairperson
Mr. Abdul Hussain Antaria	- Secretary
Mr.Mohammed Younus Nawab	- Member
Mr.Ismail Younus	- Member

C.F.O./Company Secretary

Mr.Hammad Fareed	- Chief Financial Officer
Mr.Abdul Hussain Antaria	- Company Secretary

Registered Office

33-D-2, Block 6, P.E.C.H.S
P.O.Box No.10651,
Karachi - 75700
Phone : 32561728 - 29
Fax : 32570833
E-mail : 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 Centre,
Gulshan-e-Iqbal,
Karachi.
Phone : 0300-8355319

Bankers

Bank AL Habib Limited
Bank Alfalah Ltd
Dubai Islamic Bank Limited
Faysal Bank Ltd
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Ltd
National Bank of Pakistan
United Bank Ltd

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 : 34326027

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

Sana Industries Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of the shareholders of the Sana Industries Limited will be held on Friday, the 25th of October, 2024 at 4.00 P.M at the Company's Office, situated at 33-D-2, Block 6, P.E.C.H.S., Karachi to transact the following business:-

ORDINARY BUSINESS:

(1) To receive and adopt the audited financial statements of the Company for the year ended 30th June, 2024, together with the Auditors' and Directors' Reports thereon.

(2) To appoint Auditors of the Company for the year ended 30th June, 2025. 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

(3) To ratify and approve by way of ordinary resolutions with or without modification the following resolutions in respect of related party transactions under the provisions of Section 208 of the Companies Act, 2017:

(i) "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed."

(ii) "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2025.

Further Resolved That that transactions approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval."

ANY OTHER BUSINESS:

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

By Order of the Board

(Abdul Hussain Antaria)
Company Secretary

Karachi: 30th September, 2024

NOTES:

1. **Closure of Share Transfer Books**
   The share transfer books of the Company shall remain closed from 18-Oct-2024 to 25-Oct-2024 (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 17-Oct-2024 will be considered in time to attend and vote at the meeting.

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

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

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

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

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

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

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

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

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

The required information must reach the Share Registrar of the Company before the close of the business on October 14, 2024 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Shareholder(s).

The shareholders seeking to avail exemption or are eligible for deduction at a reduced rate u/s 150 of the Income Tax Ordinance, 2001, must provide valid Tax Exemption Certificate or necessary documentary evidence as the case may be, to the Company's Share Registrar M/s. F. D. Registrar Services (Pvt.) Limited before book closure otherwise tax will be deducted on dividend as per applicable rates.

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. **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.

8. **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.

9. Participation through Video Link Facility

The members can also participate in the Annual General Meeting through video link facility. To attend the AGM through video link, members and their proxies are requested to register their following particulars by sending an email at snai@sana-industries.com

Full Name	CNIC No	Folio / CDC Account No.	No. of Shares Held	Cell No.	E-mail Address

The video link and login credentials will be shared with the shareholders whose email, containing all the requested particulars, are received at the given email address by or before the close of business hours (5:00 p.m.) on October 21, 2024.

10. Postal Ballot/E-voting

Pursuant to the Companies (Postal Ballot) Regulations, 2018, shareholders will be allowed to exercise their right to vote through postal ballot that is voting by post or through any electronic mode subject to requirements of Section 143 to Section 145 of the Companies Act, 2017 and procedure contained in the aforesaid Regulations. Ballot Paper is annexed to this notice and the same is also available on the Company's website sana-industries.com to download.

STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017

The statement sets out the material facts concerning the Special Business given in agenda item No. 4 of the Notice which will be considered to be passed by the shareholders. The purpose of the Statement is to set forth the material facts concerning such Special Business.

Ordinary resolution

AGENDA NO.3 – TRANSACTIONS WITH SUBSIDIARY COMPANIES.

The Company in the normal course of business carries out transactions with its subsidiary Company Sana Logistics (Private) Limited and Sana Distributors (Private) Limited for re-imbursement of Rent, Electricity, Maintenance, Health Insurance and Contractor payments etc. amounting Rs.20.60 million and Rs.3.33 million respectively.

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, 2024 are being placed before the shareholders for their consideration and approval / ratification. All related party transactions, during the year 2024, 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.4.

To authorize the Board of the Company to approve transactions with Related Party for the financial year ending June 30, 2025 which shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.

Directors' Interest

The directors of the Company have no direct or indirect interest in the above-mentioned Special Business except to the extent that they are the members of the Company.

Sana Industries Limited

BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting **Sana Industries Limited** (the Company) to be held on Friday, October 25, 2024 at 4:00 p.m. at 33-D-2, Block 6, P.E.C.H.S., Karachi.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: (chairman@sana-industries.com)

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio No. / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner)(Copy to be attached)	
Additional information and enclosures (In case of representative of body corporate, corporations and Federal Government)	
Name of Authorized Signatory	
CNIC, NICOP/Passport No. (in case of foreigner) of authorized signatory (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following ordinary resolution through postal ballot by giving my/our assent or dissent to the following resolution by placing tick (☑) mark in the appropriate box below:

Ordinary Resolution	
(1)	To Ratify and approve transactions conducted with Related Party for the year ended June 30, 2024 by passing the following ordinary resolution with or without modification: "RESOLVED that the transactions conducted with Related Party as disclosed in Note 44 of the unconsolidated financial statements for the year ended June 30, 2024 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed."
(2)	To authorize the Chief Executive Officer of the Company to approve transactions with Related Party for the financial year ending June 30, 2025 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, 2025." "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."

I/we hereby exercise my/our vote in respect of above mentioned ordinary resolution through postal ballot by conveying my/our assent or dissent to the said resolution by placing tick (?) mark in the appropriate box below:

S. No.	Name and description of resolution	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	Ordinary Resolution as per the Agenda Item No. 01 (as given above)		
2.	Ordinary Resolution as per the Agenda Item No. 02 (as given above)		

____
Shareholder/Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Place: ____________________ Date: _____________________

NOTES:

1. Duly filled postal ballots should be sent to the Chairman at 33-D-2, Block 6, P.E.C.H.S., Karachi or through email at: (chairman@sana-industries.com)

2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.

3. Postal Ballot form should reach the Chairman of the Meeting on or before October 24, 2024 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.

4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution I Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must he attested by the Consul General of Pakistan having jurisdiction over the member.

5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).

6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Sana Industries Limited

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ ثناء انڈسٹریز لمیٹڈ کا 39 واں سالانہ اجلاسِ عام 25 اکتوبر 2024ء (جمعہ) بوقت سہ پہر 4:00 بجے کمپنی کے دفتر بواقع 33-D-2، بلاک 6، P.E.C.H.S.، کراچی میں درج امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

1۔ 30 جون 2024ء کو مختتمہ سال کیلئے کمپنی کی تنقیح شدہ مالی اسٹیٹمنٹس معہ ڈائریکٹران اور آڈیٹران کی رپورٹس کی وصولی غور وخوض اور ان کی قبولیت۔

2۔ 30 جون 2025 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

3 کمپنیز ایکٹ 2017 کی دفعہ 208 کی پروویژن کے تحت متعلقہ فریق لین دین کی بابت مندرجہ ذیل قراردادوں کو معہ یا بلا ترمیم عمومی قرارداد کے طریقہ سے توثیق اور منظوری دینا۔

(i) ''قرار پایا کہ 30 جون 2024 مختتمہ سال کیلئے کمپنی کے مالی گوشواروں میں منکشف سال کے دوران تمام متعلقہ پارٹیز ٹرانزیکشنز کمپنی کی طرف سے کی گئی ہیں اور بذریعہ ہذا ریٹیفائیڈ، توثیق اور منظوری دی جاتی ہے۔

(ii) "مزید قرار پایا کہ کمپنی کے بورڈ آف ڈائریکٹرز بذریعہ ہذا 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران معاملے کی بنیاد پر متعلقہ پارٹی کے ساتھ ہونے والے لین دین کو منظور کرنے کا اختیار رکھتے ہیں۔"

"مزید قرار پایا کہ بورڈ کی طرف سے منظور کیا گیا لین دین حصص یافتگان کی طرف سے 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۔"

کوئی دیگر امور

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

حسب الحکم بورڈ

(عبدالحسین انتاریہ)

کمپنی سیکریٹری

کراچی

30 ستمبر 2024ء

نوٹ:

1۔ اطلاع کتابوں کی بندش

کمپنی کی منتقلی حصص کی کتابیں، 18 اکتوبر 2024 تا 25 اکتوبر 2024 (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 B، SMCHS، کراچی 74400 میں 17 اکتوبر 2024ء 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/مختار نامہ 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 کر سکتا/سکتی ہے۔ پراکسیاں تا آنکہ 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 سٹیفکیٹ 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 اور کمپنیز (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 ودہولڈنگ ٹیکس کی ڈیڈکشن:

انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت حصص کی ڈیویڈینڈ آمدنی پر ودہولڈنگ ٹیکس کی کٹوتی لازمی ہے اور فی الحال کمپنیوں کے ذریعہ ادا کردہ منافع کی رقم پر ودہولڈنگ 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 14 اکتوبر 2024 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۔

حصص داران جو آرڈیننس 2001 کی دفعہ 150 کے تحت ایگزیمپشن یا کم شرح پر کٹوتی کے اہلیت 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 سٹیفکیٹ یا ضروری دستاویزات لازماً مہیا کریں بصورت دیگر قابل اطلاق شرحوں کے مطابق ٹیکس منہا کیا جائے گا۔

6۔ نظر ثانی شدہ مالی حسابات اور نوٹسز کی الیکٹرانک ترسیل

سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) نے اپنے نوٹیفکیشن SRO(I)/2014 مورخہ 8 ستمبر 2014 کے ذریعے کمپنیوں کو نظر ثانی 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 نظر ثانی 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 نظر انداز کر دیں۔ سالانہ مالی حسابات معمول کے مطابق آپ کے رجسٹرڈ پتہ پر ارسال کر دیئے جائیں گے۔

7۔ سی ڈی سی اکاؤنٹس میں فزیکل شیئرز کا جمع کرانا:

کمپنیز ایکٹ 2017ء 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 و شکل کے انداز میں اپنے فزیکل شیئرز کو بک انٹری فارم سے تبدیل کرنا ضروری ہے۔ مادی شیئر ہولڈنگ کے حامل تمام حصص یافتگان کو حوصلہ افزائی کی جاتی ہے کہ وہ اپنے حصص کو اسکرپ لیس شکل میں رکھنے کے لئے کسی بھی بروکر کے ہاں سی ڈی سی سب اکاؤنٹ یا براہ راست سی ڈی سی کے انویسٹر اکاؤنٹ کھولیں۔

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

8۔ مادی حصص داران کی لازمی معلومات

کمپنیز ایکٹ 2017ء 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، پتہ، ای میل ایڈریس، موبائل/ٹیلی فون رابطہ نمبر، انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN) وغیرہ قانون کی عدم تعمیل سے بچنے کے لئے ہمارے شیئر رجسٹرار کو سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک بی، S.M.C.H.S، مین شاہراہ فیصل، کراچی 74400، ٹال فری فون: 0800-23275، ای میل: info@cdcsrsl.com پر فراہم کریں۔

9۔ ویڈیو کانفرنس سہولت

ارکان سالانہ اجلاس عام میں ویڈیو کانفرنس سہولت سے مستفید ہو سکتے ہیں۔ ویڈیو لنک کے ذریعے AGM میں شرکت کے لئے ارکان اور ان کے پراکسیز سے درخواست ہے کہ snai@sana-industries.com پر ای میل کے ذریعے مندرجہ ذیل معلومات کمپنی سیکریٹری کو رجسٹر کرائیں۔

مکمل نام	CNIC نمبر	فولیو/سی ڈی سی اکاؤنٹ نمبر	ملکیتی حصص کی تعداد	سیل نمبر	ای میل ایڈریس

ویڈیو لنک اور لاگ ان کی اسناد ان شیئر ہولڈرز کے ساتھ شیئر کی جائیں گی جن کی ای میل، تمام درخواست کردہ تفصیلات پر مشتمل دیے گئے ای میل ایڈریس پر 21 اکتوبر 2024 کو کاروباری اوقات (شام 5:00 بجے) کے اختتام تک یا اس سے پہلے موصول ہوئی ہے۔

10۔ پوسٹل بیلٹ/ای ووٹنگ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق شیئر ہولڈرز کمپنیز ایکٹ، 2017 کے سیکشن 143 تا سیکشن 145 اور مذکورہ ضوابط میں شامل طریقہ کار کے تقاضوں کے تحت پوسٹل بیلٹ کے ذریعے اپنے ووٹ کا حق استعمال کر سکیں گے، یعنی ڈاک کے ذریعے یا الیکٹرانک موڈ کے ذریعے ووٹنگ کریں۔ بیلٹ پیپر نوٹس ہذا کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ sana-industries.com سے بھی ڈاؤن لوڈ کرنے کے لئے دستیاب ہے۔

خصوصی امور سے متعلقہ مادی حقائق کی اسٹیٹمنٹ زیر دفعہ 134 (3) کمپنیز ایکٹ 2017

بیان ہذا کمپنی کے اجلاس عام میں دیئے گئے خصوصی امور سے متعلق مادی حقائق کی وضاحت کی گئی ہے جنہیں شیئر ہولڈرز کی جانب سے منظور کیا جائے گا۔ بیان کا مقصد ایسے خصوصی امور سے متعلق مادی حقائق کو سامنے لانا ہے۔

عام قرارداد

ایجنڈا آئٹم نمبر 3۔ ذیلی کمپنی کے ساتھ ٹرانزیکشن

معمول کے کاروبار کے دوران کمپنی نے اپنی ذیلی کمپنی ثناء جنسک (پرائیویٹ) لمیٹڈ کے ساتھ کرایہ، بجلی، ہیلتھ انشورنس اور ٹیکسٹائل وغیرہ کی ادائیگی کی مد میں ملین روپے کا لین دین کیا ہے۔

کمپنی کے کاروبار کے ضمن میں اپنی ذیلی کمپنی ثناء جنسک (پرائیویٹ) لمیٹڈ اور ثناء ڈسٹری (پرائیویٹ) لمیٹڈ کے ساتھ کرایہ، بجلی، دیکھ بھال، ہیلتھ انشورنس اور سیکیورٹی کی ادائیگی وغیرہ کی بحالی کے لئے ملین روپے کی لین دین کی۔

اکثر ڈائریکٹرز ان کمپنیوں میں مشترکہ ڈائریکٹرشپ کی وجہ سے ان لین دین میں دلچسپی رکھتے ہیں، اجلاس عام میں حصص یافتگان سے ان کی منظوری دینی ہوتی ہے۔ لہذا، 30 جون، 2024 کو ختم ہونے والے مالی سال کے دوران ان کمپنیوں کے ساتھ کئے گئے تمام لین دین حصص یافتگان کے سامنے غور و خوض اور منظوری/توثیق کے لئے رکھا جا رہا ہے۔

سال 2024 کے دوران پارٹی سے متعلقہ تمام لین دین کا جائزہ لیا گیا اور آڈٹ کمیٹی اور بورڈ نے اپنے متعلقہ اجلاسوں میں ان 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 بورڈ آف ڈائریکٹرز کو 30 جون 2025 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۔ کیو آر - فعال کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل

ایس ای سی پی نے لسٹڈ کمپنیوں کو اپنے ممبران کو سالانہ آڈٹ شدہ مالی گوشوارے ایس ای سی پی کی S.R.O. 389(1)/2023 مورخہ 21 مارچ 2023 کی پیروی میں سی ڈی/ڈی وی ڈی/یو ایس بی کی شکل میں منتقل کرنے کے بجائے کیو آر فعال کوڈ اور ویب لنک کے ذریعے ترسیل کرنے کی اجازت دی ہے۔ سالانہ آڈٹ شدہ مالی گوشوارے ای میل ایڈریس کے ذریعے ترسیل کئے جائیں گے اگر ایسا کسی ممبر کی طرف سے کمپنی کو فراہم کیا گیا ہے، سالانہ آڈٹ شدہ مالی گوشواروں کی ہارڈ کاپی باقاعدہ طور پر مکمل درخواست فارم کی وصولی پر شیئر ہولڈرز کو فراہم کرے گی، جو کمپنی کی ویب سائٹ یعنی sana-industries.com سے حاصل کیا جا سکتا ہے۔

ڈائریکٹرز کی دلچسپی

کمپنی کے ڈائریکٹرز کی مذکورہ بالا خصوصی امور میں کوئی براہ راست یا بالواسطہ دلچسپی نہیں ہے سوائے اس حد تک کہ وہ کمپنی کے ممبر 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 2024, the Board’s overall performance and effectiveness have been assessed as satisfactory, based on an evaluation of integral components including vision, mission and values.

The Board clearly understands the stakeholders whom the Company serves, engages 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 discharge its responsibilities adequately.

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

Ibrahim Younus
Chairman

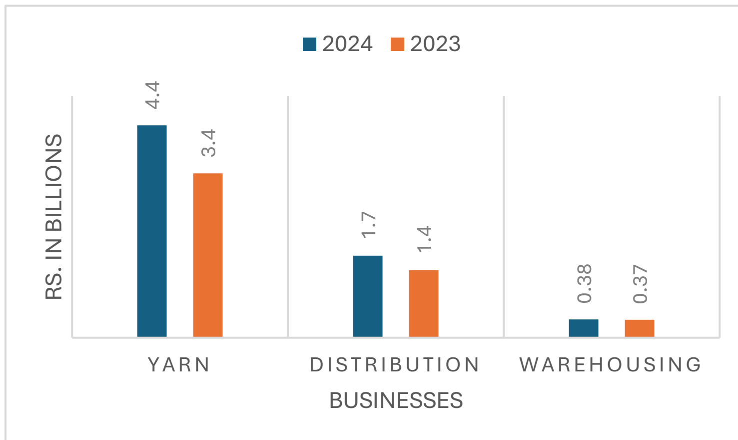
Karachi: 30th September 2024

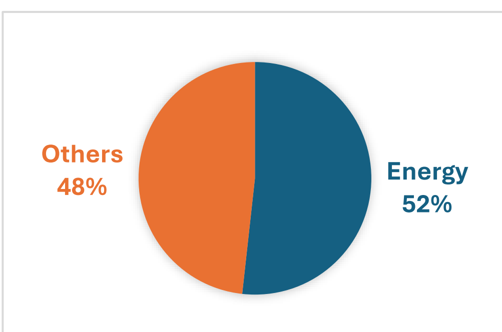
Directors' Report

The Directors of the company are honored to present the financial results for the year ended June 30, 2024. This report aims to provide our valued stakeholders with a comprehensive overview of our performance and strategic direction in light of the challenges faced during the financial year.

Topline Performance Despite All Odds

The year under review posed significant economic challenges for Pakistan, characterized by soaring inflation rates reaching unprecedented levels, coupled with declining demand and supply chain disruptions. These factors have been exacerbated by both local and global economic uncertainties. Despite these adverse conditions, we are pleased to announce that the company has achieved a remarkable milestone by recording consolidated gross revenues of Rs. 6.5 billion. This figure marks a substantial increase of approximately 27% compared to the previous year. The revenue growth in our yarn business was primarily driven by an increase in sales prices and a noteworthy improvement in our production capacity, which has grown by over 20%. Furthermore, we are excited to have integrated a new principal, Engro Friesland Campina, into our distribution operations, thereby expanding our market reach and product offerings.





Manufacturing Costs Proportion

It is important to acknowledge that the financial results were significantly impacted by the rising energy costs, particularly the escalating fuel prices. These costs not only affected our operational expenditures but also increased the cost of delivering goods, particularly to the northern regions of Pakistan. The effect of these rising expenses has been felt throughout the organization, necessitating a strategic approach to manage our operational efficiencies.

Revisiting Assets Value

In our pursuit of transparency and accurate financial reporting, the company undertook a comprehensive exercise to assess our depreciation rates. Upon thorough evaluation, it became evident that our rates were excessively higher than the industry standards. This revelation prompted us to implement necessary adjustments to reflect a more realistic assessment of the remaining value of our fixed assets and the depreciation charge for the year. As a result of these adjustments, we restated the comparative year. This change not only enhances our financial standing but also provides a clearer picture of our asset valuation.

Cash Generation from Operations

Additionally, we are pleased to report that the cash flow position of the company has shown marked improvement compared to the previous year. This year, we generated net cash from operations, contrasting sharply with the net cash used in operations in the prior year. This positive shift in our cash flow underscores our commitment to operational efficiency and financial prudence.

Economic Prospects

The country's economic outlook shows signs of stabilization, with external financing requirements being met and the external account appearing more manageable. Recent months have witnessed the current account staying within reasonable limits, providing some relief to the economic environment. Moreover, the decreasing cost of borrowing has brought optimism to the business community, as reduced finance costs are expected to support growth across various sectors.

Despite these positive developments, the cost of doing business in Pakistan remains significantly higher compared to regional competitors. This is particularly evident in terms of energy prices and tax rates. The cost of gas and electricity has risen sharply, placing local manufacturers at a disadvantage against imported competition, especially as there are no significant barriers to the import of yarns and raw materials. These challenges continue to weigh heavily on the competitiveness of the domestic manufacturing sector.

Outlook of the Company

The company is optimistic about the upcoming year as the reduction in borrowing costs is expected to lower finance expenses, improving profitability. However, the high cost of energy remains a significant challenge, driving up manufacturing costs.

The government has committed to addressing this issue by rationalizing energy prices within the next fiscal year. If these promised adjustments are implemented promptly, and energy costs are aligned with regional standards, the combined effect of lower finance costs and reduced energy expenses could greatly enhance the company's operational efficiency and competitive position in the market.

Auditors
The current auditors, M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, are set to retire, but they have expressed their willingness to be re-appointed for the financial year ending June 30, 2025. We value their expertise and look forward to their continued support.

Pattern of Holding of Shares
The Pattern of Holding of Shares, as prescribed by the SECP Circular dated 28 March 2002 to the Stock Exchange has been included in this annual report.

Dividend and Bonus Announcement
In light of the financial performance and prevailing economic conditions, we regret to inform our stakeholders that no dividend has been announced this year. We believe this decision is in the best interest of the company and its long-term growth strategy.

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, 2024. Total value of assets / investments as at June 30, 2024 were Rs.57,585,067/-.

Board of Directors

A total of 04 Meetings of the Board of Directors were held during the financial year ended 30th June 2024. Number of Meetings attended by each Directors are stated as follows:

Name of Directors	Number of meeting attended
1. Mr. Mohammad Younus Nawab	4
2. Mr. Mohammad Irfan Nawab	4
3. Mr. Ibrahim Younus	4
4. Mr. Ismail Younus	4
5. Mr. Muhammad Faizanullah	4
6. Mr. Abdus Sami Qureshi	4
7. Ms. Zainab Hanif Dhedhi	4

Acknowledgement

We would like to express our gratitude to our shareholders, employees, and partners for their unwavering support and dedication. We remain committed to navigating the challenges ahead while capitalizing on the opportunities that arise. Together, we will strive to enhance the company's performance and deliver value to all stakeholders.

On behalf of the Board

Mohammad Irfan Nawab	Muhammad Faizanullah
Chief Executive	Director

Karachi: 30th September 2024

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز کو 30جون 2024 کو ختم ہونے والے سال کے مالیاتی نتائج پیش کرنے کا اعزاز حاصل ہے۔اس رپورٹ کا مقصد مالیاتی سال کے دوران درپیش چیلنجز کی روشنی میں ہمارے قابل قدر اسٹیک ہولڈرز کو ہماری کارکردگی اور اسٹریٹجک سمت کا جامع جائزہ فراہم کرنا ہے۔

تمام رکاوٹوں کے باوجود ٹاپ لائن کارکردگی:

زیر جائزہ سال پاکستان کے لیے اہم معاشی چیلنجز کا باعث بنا جس میں افراط زر کی بڑھتی ہوئی شرح غیر معمولی سطح پر پہنچ گئی اور طلب اور رسد کی چین میں خلل پڑا۔ یہ عوامل مقامی اور عالمی معاشی غیر یقینی صورتحال کی وجہ سے بڑھ گئے ہیں۔ ان نامساعد حالات کے باوجود ہمیں یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ کمپنی نے 6.5ارب روپے کی مجموعی آمدنی ریکارڈ کر کے ایک اہم سنگ میل عبور کیا ہے۔ یہ اعداد و شمار پچھلے سال کے مقابلے میں تقریباً 27فیصد کا نمایاں اضافہ ظاہر کرتے ہیں۔ ہمارے دھاگے کے کاروبار میں آمدنی میں اضافہ بنیادی طور پر فروخت کی قیمتوں میں اضافے اور ہماری پیداواری صلاحیت میں نمایاں بہتری کی وجہ سے ہوا تھا، جس میں 20٪ سے زیادہ اضافہ ہوا ہے۔ مزید برآں، ہم اپنے ڈسٹری بیوشن آپریشنز میں ایک نئے پرنسپل، اینگرو فریز لینڈ کیمپینا کو ضم کرنے پر پرجوش ہیں، جس سے ہماری مارکیٹ تک رسائی اور مصنوعات کی پیش کشوں میں اضافہ ہوا ہے۔

مینوفیکچرنگ لاگت کا تناسب:

یہ تسلیم کرنا ضروری ہے کہ مالی نتائج توانائی کی بڑھتی ہوئی لاگت، خاص طور پر ایندھن کی بڑھتی ہوئی قیمتوں سے نمایاں طور پر متاثر ہوئے تھے۔ ان اخراجات نے نہ صرف ہمارے آپریشنل اخراجات کو متاثر کیا بلکہ خاص طور پر پاکستان کے شمالی علاقوں میں سامان کی ترسیل کی لاگت میں بھی اضافہ کیا۔ ان بڑھتے ہوئے اخراجات کے اثرات پورے ادارے میں محسوس کیے گئے ہیں، جس کے لئے ہماری آپریشنل کارکردگی کو منظم کرنے کے لئے ایک اسٹریٹجک نقطہ نظر کی ضرورت ہے۔

اثاثوں کی قدر پر نظر ثانی:

شفافیت اور درست مالی رپورٹنگ کی تلاش میں، کمپنی نے ہماری قدر میں کمی کی شرح کا اندازہ کرنے کے لئے ایک جامع مشق کی۔ مکمل جائزے کے بعد، یہ واضح ہو گیا کہ ہماری شرحیں صنعت کے معیار سے کہیں زیادہ تھیں۔ اس انکشاف نے ہمیں اپنے طے شدہ اثاثوں کی بقیہ قیمت اور سال کے لئے گراوٹ چارج کے زیادہ حقیقت پسندانہ جائزے کی عکاسی کرنے کے لئے ضروری ایڈجسٹمنٹ نافذ کرنے کی ترغیب دی۔ ان ایڈجسٹمنٹوں کے نتیجے میں، ہم نے تقابلی سال کو دوبارہ بیان کیا۔ یہ تبدیلی نہ صرف ہماری مالی حیثیت میں اضافہ کرتی ہے بلکہ ہمارے اثاثوں کی تشخیص کی واضح تصویر بھی فراہم کرتی ہے۔

آپریشنز سے نقد رقم کی پیداوار:

مزید برآں، ہمیں یہ بتاتے ہوئے خوشی ہے کہ کمپنی کی نقد بہاؤ کی پوزیشن نے پچھلے سال کے مقابلے میں نمایاں بہتری دکھائی ہے۔ اس سال، ہم نے آپریشنز سے خالص نقد رقم حاصل کی، جو پچھلے سال میں آپریشنز میں استعمال ہونے والی خالص نقد رقم کے مقابلے میں بہت زیادہ ہے۔ ہمارے نقد بہاؤ میں یہ مثبت تبدیلی آپریشنل کارکردگی اور مالی دانشمندی کے لئے ہمارے عزم کو ظاہر کرتی ہے۔

اقتصادی امکانات:

ملک کا معاشی نقطہ نظر استحکام کے اشارے ظاہر کرتا ہے، بیرونی فنانسنگ کی ضروریات کو پورا کیا جارہا ہے اور بیرونی اکاؤنٹ زیادہ قابل انتظام دکھائی دے رہا ہے۔ حالیہ مہینوں میں کرنٹ اکاؤنٹ معقول حد کے اندر رہا ہے، جس سے معاشی ماحول کو کچھ راحت ملی ہے۔ مزید برآں، قرضوں کی کم ہوتی لاگت نے کاروباری برادری میں امید پیدا کی ہے، کیونکہ مالی اخراجات میں کمی سے مختلف شعبوں میں ترقی میں مدد ملنے کی توقع ہے۔

ان مثبت پیش رفتوں کے باوجود پاکستان میں کاروبار کرنے کی لاگت علاقائی حریفوں کے مقابلے میں نمایاں طور پر زیادہ ہے۔ یہ خاص طور پر توانائی کی قیمتوں اور ٹیکس کی شرح کے لحاظ سے واضح ہے۔ گیس اور بجلی کی قیمت میں تیزی سے اضافہ ہوا ہے، جس سے مقامی مینوفیکچررز کو درآمدی مسابقت کے خلاف نقصان پہنچا ہے، خاص طور پر کیونکہ دھاگے اور خام مال کی درآمد میں کوئی اہم رکاوٹ نہیں ہے۔ یہ چیلنجز ملکی مینوفیکچرنگ سیکٹر کی مسابقت پر بھاری بوجھ ڈال رہے ہیں۔

کمپنی کا نقطہ نظر:

کمپنی آنے والے سال کے بارے میں پرامید ہے کیونکہ قرض لینے کی لاگت میں کمی سے مالی اخراجات میں کمی اور منافع میں بہتری کی توقع ہے۔ تاہم، توانائی کی اعلی قیمت ایک اہم چیلنج بنی ہوئی ہے، جس سے مینوفیکچرنگ کی لاگت میں اضافہ ہوتا ہے۔

حکومت نے آئندہ ماہ کے اندر توانائی کی قیمتوں کو معقول بنا کر اس مسئلے کو حل کرنے کا عہد کیا ہے۔ اگر ان وعدوں پر فوری طور پر عمل درآمد کیا جاتا ہے، اور توانائی کے اخراجات کو علاقائی معیارات کے ساتھ ہم آہنگ کیا جاتا ہے، تو کم مالی اخراجات اور توانائی کے اخراجات میں کمی کا مشترکہ اثر مارکیٹ میں کمپنی کی آپریشنل کارکردگی اور مسابقتی پوزیشن کو بہت بہتر بنا سکتا ہے۔

آڈیٹرز:

موجودہ آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہونے والے ہیں، لیکن انہوں نے 30 جون، 2025 کو ختم ہونے والے مالی سال کے لئے دوبارہ تقرری پر آمادگی ظاہر کی ہے۔ ہم ان کی مہارت کی قدر کرتے ہیں اور ان کی مسلسل حمایت کے منتظر ہیں۔

شیئرز ہولڈنگ کا پیٹرن:

ایس ای سی پی کے 28 مارچ 2002ء کے سرکلر کے مطابق سٹاک ایکسچینج کو شیئرز رکھنے کا طریقہ کار اس سالانہ رپورٹ میں شامل کیا گیا ہے۔

ڈیویڈنڈ اور بونس کا اعلان:

مالیاتی کارکردگی اور موجودہ معاشی حالات کی روشنی میں، ہمیں اپنے اسٹیک ہولڈرز کو مطلع کرتے ہوئے افسوس ہے کہ اس سال کسی ڈیویڈنڈ کا اعلان نہیں کیا گیا ہے۔ ہم تسلیم کرتے ہیں کہ یہ فیصلہ کمپنی اور اس کی طویل مدتی ترقی کی حکمت عملی کے بہترین مفاد میں ہے۔

ڈائریکٹرز کا بیان

(1) مالیاتی بیانات کمپنی کے معاملات، اس کے آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

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

(3) مالیاتی بیانات کی تیاری میں مناسب اکاونٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاونٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

(4) بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتے ہیں، مالی بیانات کی تیاری میں عمل کیا گیا ہے اور اس سے کسی

بھی انحراف، اگر کوئی ہو، کو مناسب طور پر ظاہر اور وضاحت کی گئی ہے۔

(5) انٹرنل کنٹرول کا نظام صوتی ڈیزائن کا ہے اور موثر طریقے سے نافذ اور نگرانی کی گئی ہے۔

(6) کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی شبہ نہیں ہے۔

(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، جس کا انتظام گریجویٹی فنڈ ٹرسٹ کے ذریعہ کیا جاتا ہے، جس میں اس کے تمام ملازمین کا احاطہ کیا جاتا ہے جنہوں نے اپنی کوالیفائنگ مدت مکمل کرلی ہے۔ پروجیکٹ یونٹ کریڈٹ ایکچوریل کاسٹ میتھڈ (PUC) اکاونٹنگ انٹریز کا حساب لگانے کے لئے استعمال کیا گیا تھا، جو طریقہ IAS-19 کے تازہ ترین ورژن کے تحت لازمی ہے۔ اس اسکیم کی تازہ ترین ایکچوریل ویلیو ایشن 30 جون، 2024 کو کی گئی تھی۔ 30 جون 2024 تک اثاثوں اور سرمایہ کاری کی کل مالیت -/57,585,067 روپے تھی۔

بورڈ آف ڈائریکٹرز

30 جون 2024ء کو ختم ہونے والے مالیاتی سال کے دوران بورڈ آف ڈائریکٹرز کے کل 04 اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی طرف سے شرکت کرنے والے اجلاسوں کی تعداد درج ذیل بیان کی گئی ہے:

ڈائریکٹرز کے نام	اجلاسوں میں شرکت کی تعداد
1. جناب محمد یونس نواب	4
2. جناب محمد عرفان نواب	4
3. جناب ابراہیم یونس	4
4. جناب اسماعیل یونس	4
5. جناب محمد فیضان اللہ	4
6. جناب عبدالسمیع قریشی	4
7. مس زینب حنیف دھیدھی	4

اعتراف

ہم اپنے شیئر ہولڈرز، ملازمین اور شراکت داروں کو ان کی غیر متزلزل حمایت اور لگن کے لئے شکریہ ادا کرنا چاہتے ہیں۔ ہم پیدا ہونے والے مواقع سے فائدہ اٹھاتے ہوئے آگے کے چیلنجز سے نمٹنے کے لئے پرعزم ہیں۔ ہم مل کر کمپنی کی کارکردگی کو بڑھانے اور تمام اسٹیک ہولڈرز کو قدر فراہم کرنے کی کوشش کریں گے۔

منجانب بورڈ

(محمد عرفان نواب)
چیف ایگزیکٹو

(محمد فیضان اللہ)
ڈائریکٹر

کراچی، ستمبر 30، 2024

Sara Industries Limited

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

Comparison with last year **Annexure A**

Covering period FROM / TO	01-Jul-2023 / 30-Jun-2024	01-Jul-2022 / 30-Jun-2023	VARIATION Amount	VARIATION Percentage
Turnover - net	5,564	4,306	1,258.00	29.22%
Cost of Sales	5,117	4,047	1,070.00	26.44%
Gross (loss) / Profit	447	259	188.00	72.59%
G.P.Rate to Sales	8.03%	6.01%		
Administrative, Selling, Financial & Other expenses	270	231	39.00	16.88%
Other income	9	31	(22.00)	70.97%
Operating (loss) / Profit before tax	186	59	127.00	-215.25%
Operating (loss) / Profit to sales ratio	3.34%	1.37%		
Provision for Levies and Taxation	(6.00)	(33.00)	27.00	-81.82%
(Loss) / Profit after Taxation	(79.27)	131.00	(210.27)	-160.51%
Loss per share (before tax) - Holding Co.	(4.17)	(6.91)	2.74	-39.65%
Loss per share (after tax) - Holding Co.	(3.78)	(5.27)	1.49	-28.27%

Comparison with previous quarter **Annexure B**

Covering period FROM / TO	01-Apr-2024 / 30-Jun-2024	01-Jan-2024 / 31-Mar-2024	VARIATION Amount	VARIATION Percentage
Turnover - net	1,309	1,496	(187.00)	-12.50%
Cost of Sales	1,232	1,416	(183.39)	-12.95%
Gross (loss) / Profit	77	80	(3.60)	-4.49%
G.P.Rate to Sales	5.86%	5.37%		0.49%
Administrative, Selling, Financial & Other expenses	103	115	(12.00)	-10.43%
Other income	4	5	(1.00)	-20.00%
Operating (loss) / Profit before tax	31	27	4.00	14.81%
Operating (loss) / Profit to sales ratio	2.37%	1.80%		
Earning per share (before tax)	(1.09)	(1.51)	0.42	-27.81%

Sara Industries Limited

Annexure "c"

COMPARISON OF BALANCE SHEET OF FOUR QUARTERS (CONSOLIDATED)

	1ST QUARTER 30-Sep-2022 Rupees	2ND QUARTER 31-Dec-2022 Rupees	3RD QUARTER 31-Mar-2023 Rupees	4TH QUARTER 30-Jun-2023 Rupees
ASSETS				
NON CURRENT ASSETS				
Property, Plant and equipments	827,347,340	910,629,276	989,364,380	975,045,698
Right to use asssers	29,963,626	33,278,459	27,795,781	61,099,145
Intangibles	803,307	1,658,747	1,601,717	727,454
Long-term deposits	2,756,051	2,756,051	2,756,051	2,756,051
Long-term advances	1,951,000	-	-	1,000,000
Deferred tax asset - net	38,629,856	125,352,327	132,243,174	138,989,832
	901,451,180	1,073,674,860	1,153,761,104	1,179,618,180
CURRENT ASSETS				
Stock-in-trade / Stores and spares	493,842,957	379,231,626	409,075,404	352,779,955
Short term investment	17,589,318	17,649,435	19,089,318	19,308,682
Trade debts- unsecured, considered good	737,956,297	772,971,730	757,667,098	781,346,479
Advances	40,430,390	52,679,061	31,621,657	20,262,483
Trade Deposits and pre-payments and other receivables	8,210,002	6,048,773	3,351,431	4,369,590
Other receivables	8,278,756	25,654,842	58,080,809	76,392,815
Taxation - net	165,766,194	139,760,561	204,673,752	140,770,016
Cash and bank balances	96,854,933	59,867,182	59,666,730	76,196,579
	1,568,928,847	1,453,863,210	1,543,226,199	1,471,426,599
TOTAL ASSETS	2,470,380,027	2,527,538,070	2,696,987,303	2,651,044,779
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share Capital	121,000,000	121,000,000	121,000,000	199,650,000
Reserves	444,664,476	375,768,289	357,587,343	213,702,539
Attributiable to equity holders of the parent	565,664,476	496,768,289	478,587,343	413,352,539
Non-controlling interest	59,648,007	63,558,737	63,212,386	58,269,249
	625,312,483	560,327,026	541,799,729	471,621,788
NON CURRENT LIABILITIES				
Long term financing	198,020,745	230,524,919	295,629,611	263,050,026
Lease Liability	31,496,184	23,402,359	33,181,430	56,802,630
Deffered Liabilities	122,642,912	157,938,127	152,051,640	177,424,113
	352,159,841	411,865,405	480,862,681	497,276,769
CURRENT LIABILITIES				
Trade and other payables	502,716,623	482,979,765	533,363,847	492,611,533
Accrued profit on Murabaha/Mushareka arrangements	29,377,969	33,981,225	38,926,123	57,837,225
Subordinated loan from directors	-	-	-	20,000,000
Loans from directors and associates	62,755,000	78,665,000	85,265,000	60,865,000
Current portion of long term financing	56,129,552	50,106,416	54,679,879	78,946,771
Current maturity of lease liability	16,826,410	27,672,326	15,970,799	24,366,149
Current maturity of deferred government grant	6,530,837	14,186,337	18,915,116	16,887,604
Unclaimed dividend	1,992,282	2,024,863	2,024,860	2,005,663
Short term arrangements	814,480,200	865,729,706	925,179,270	928,626,277
Taxation - net	2,098,831	-	-	-
	1,492,907,703	1,555,345,639	1,674,324,893	1,682,146,222
CONTINGENCIES AND COMMITMENTS	-	-	-	-
TOTAL EQUITY AND LIABILITIES	2,470,380,027	2,527,538,070	2,696,987,303	2,651,044,779
Debt Equity Ratio	36.03%	42.36%	47.02%	51.32%
Current Ratio	1.05	0.93	0.92	0.87

Sara Industries Limited

COMPARISON OF PROFIT & LOSS ACCOUNT OF FOUR QUARTERS (CONSOLIDATED) "Annexure D"

	1ST QUARTER SEP 2023 Rupees	2nd QUARTER DEC 2023 Rupees	3rd QUARTER MAR 2024 Rupees	4th QUARTER JUN 2024 Rupees	Y.T.D 30-06-24 Rupees
Revenues - net	1,496,029,156	1,359,204,661	1,399,862,633	1,309,030,675	5,564,127,125
Cost of sales	(1,415,705,477)	(1,221,234,611)	(1,248,033,781)	(1,232,311,764)	(5,117,285,633)
Gross Profits	**80,323,679**	**137,970,050**	**151,828,852**	**76,718,911**	**446,841,492**
GP RATE	5%	10%	11%	6%	8%
Administrative expenses	(26,098,211)	(44,653,151)	(70,647,488)	(12,352,195)	(153,751,045)
Distribution expenses	(27,454,085)	(30,218,931)	(26,240,528)	(31,330,497)	(115,244,041)
Other operating expenses	-	-	-	(1,216,850)	(1,216,850)
	(53,552,296)	(74,872,082)	(96,888,016)	(44,899,542)	(270,211,936)
Profit / (Loss) before interest and tax	**26,771,383**	**63,097,968**	**54,940,836**	**31,819,369**	**176,629,556**
Other income	5,029,952	(1,979,432)	1,909,912	4,409,802	9,370,234
Finance costs	(61,940,644)	(82,983,200)	(68,860,730)	(58,036,019)	(271,820,593)
Profit / (Loss) before taxation	**(30,139,309)**	**(21,864,664)**	**(12,009,982)**	**(21,806,848)**	**(85,820,803)**
Taxation expense	13,841,709	(914,386)	17,748,372	(24,124,171)	6,551,524
Profit / (Loss) after taxation	**(16,297,600)**	**(22,779,050)**	**5,738,390**	**(21,806,848)**	**(79,269,279)**

Sara Industries Limited

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

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

(Rupees in Millions)

YEAR END	**Jun-2024**	Jun-2023 Restated	Jun-2022 Restated	Jun-2021	Jun-2020	Jun-2019
OPERATING RESULTS						
Turnover - Net	**3,804**	2,886	2,631	2,129	1,419	2,002
Gross profit	**300**	127	305	263	88	198
Operating expenses	**154**	130	105	102	79	76
Operating profit / (loss)	**146**	(3)	199	162	9	127
Financial charges	**250**	200	96	60	75	63
Profit / (Loss) before levies and taxes	**(97)**	(183)	173	137	(43)	80
Levies and taxation	**22**	78	46	42	12	15
Profit / (Loss) after tax	**(75)**	(105)	128	95	(31)	65
FINANCIAL POSITION						
Paid-up Capital	**200**	200	121	110	86	86
Retained earnings	**245**	307	510	403	264	317
Total equity	**674**	735	859	513	346	401
Long term loans	**230**	291	131	60	72	45
Deferred Liabilites	**152**	177	118	106	68	54
Current liabilities	**1,519**	1,370	955	807	675	721
Total assets	**2,576**	2,573	2,157	1,485	1,161	1,185
Fixed assets (Gross)	**1,620**	1,592	1,267	1,139	1,184	1,127
Accumulated depreciation	**494**	431	394	742	738	663
Fixed assets (Net)	**1,126**	1,161	873	397	447	464
Long term investment	**95**	95	95	95	35	35
Long term deposits	**3**	3	3	3	3	3
Deferred tax assets / (liabilities)	**80**	16	(94)	13	6	0
Current assets	**1,137**	1,151	1,059	977	671	683
RATIOS						
Fixed Assets Turnover	**3.38**	2.49	4.15	5.36	3.18	4.31
Trade Debts (days)	**58**	58	51	62	44	31
Inventory turnover (times)	**8.17**	8.17	7.30	8.44	6.41	9.24
Inventory turnover (days)	**45**	45	50	43	57	40
Sales growth %	**45%**	36%	24%	50%	-29%	17%
Gross profit margin %	**8%**	4%	12%	12%	6%	10%
Total charges as % to sales	**11%**	11%	8%	8%	11%	7%
Net profit before tax % to sales	**-3%**	-6%	7%	6%	-3%	4%
Tax rate (Effective) %	**29%**	29%	29%	29%	29%	29%
Net profit after tax (% to sales)	**-2%**	-4%	5%	4%	-2%	3%
Return on Equity % (after tax)	**-11.13%**	-14.29%	21.44%	18.48%	-9.10%	16.26%
Earning per share pre-tax	**(4.86)**	(9.17)	8.67	13.17	(5.04)	9.28
Earning per share after tax	**(3.76)**	(5.26)	6.43	9.10	(3.66)	7.59
Break-up value per share	**33.76**	36.81	49.44	46.62	40.20	46.67
Debt Equity Ratio	**74:26**	71:29	60:40	24:76	29:71	20:80
Current Ratio	**0.74**	0.84	1.10	1.21	0.99	0.95
Quick Ratio	**0.55**	0.61	0.68	0.91	0.70	0.65
DISTRIBUTION						
Dividend per share Rs.	**Nil**	Nil	2.50	2.50	Nil	2.50
Stock Dividend	**Nil**	65%	0%	10%	Nil	Nil
Dividend payout	**0%**	0%	24%	34%	0%	33%

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

Name of the Company: Sana Industries Limited
Year ending : 30th June, 2024.

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors of the Company are 7 as follows:
   Male: 06
   Female: 01

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

I) Non-Executive Directors	
a. Independent Directors	Mr. Sheikh Abdus Sami Ms. Zainab Hanif Dhedhi (Female)
b. Other Non-Executive Directors	Mr. Mohammed Younus Nawab Mr. Ibrahim Younus Mr. Ismail Younus
II) Executive Directors	Mr. Mohammed Irfan Nawab Mr. Muhammad Faizanullah

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

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

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

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

Cont'd…P/2

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

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

9. 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;

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

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

Audit Committee	
Shaikh Abdus Sami	Chairman
Mr. Mohammad Younus Nawab	Member
Mr. Ismail Younus	Member
Mr. Abdul Hussain Antaria	Secretary
HR & Remuneration Committee	
Ms. Zainab Hanif Dhedhi	Chairperson
Mr. Muhammad Faizanullah	Member
Mr. Ismail Younus	Member
Syed Amjad Ahmed	Secretary

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

13. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as follows:

Audit Committee	Four quarterly meetings during the financial year ended June 30, 2024
HR & Remuneration Committee	One meeting held during the year

Cont'd…P/3

14. The Board has outsourced 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;

15. 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 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;

16. 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;

17. We confirm that all requirements of the regulation no. 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

18. 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 fulfil necessary requirements; therefore, not warrant the appointment of a third independent director.

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

For Sana Industries Limited

Ibrahim Younus
Chairman

30th September 2024

Russell Bedford
taking you further
Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/s. Sana Industries Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors of **M/s. Sana Industries Limited** ('the Company') for the year ended **June 30, 2024** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Karachi.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Date: October 03, 2024
UDIN: CR202410210UWOzQIh8C

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of Sana Industries Limited

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of **Sana Industries Limited** (the Company), which comprise the unconsolidated statement of financial position as at **June 30, 2024**, 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 material accounting policies and other explanatory information ('the unconsolidated financial statements'), 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, 2024** and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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.

Cont'd... P/2

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Information Other than the 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 financial statements and our auditor's reports thereon.

Our opinion on the 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.

The 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 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

Cont'd... P/4

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

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

(d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 03, 2024
UDIN: AR202410210gy1LJIF7C

Sana Industries Limited

Unconsolidated Statement of Financial Position

As at June 30, 2024

	Note	2024	(Restated) June 30, 2023	(Restated) June 30, 2022
		Rupees		
ASSETS				
Non- current assets				
Property, plant and equipment	4	**1,125,607,123**	1,161,245,477	872,874,771
Right-of-use assets	5	**25,762,759**	32,054,127	19,975,750
Investment property	6	**99,106,612**	103,688,692	108,258,253
Investment in subsidiaries	7	**94,999,990**	94,999,990	94,999,990
Long term deposits and prepayments	8	**13,853,051**	13,853,051	2,756,051
Deferred taxation - net	9	**79,582,764**	16,008,174	-
		1,438,912,299	1,421,849,511	1,098,864,815
Current assets				
Stock-in-trade	10	**256,730,727**	290,356,504	396,127,934
Stores and spares	11	**30,656,119**	19,003,955	9,479,354
Trade debts - unsecured	12	**472,864,124**	557,863,756	446,660,346
Loans and advances	13	**11,557,193**	15,136,036	16,136,375
Deposits and short term prepayments	14	**132,232,247**	2,674,689	1,755,507
Short term investments	15	**4,910,430**	4,383,682	2,664,319
Other receivables	16	**130,372,557**	120,725,164	77,253,189
Tax refunds due from government	17	**69,354,263**	83,810,293	80,246,305
Cash and bank balances	18	**28,797,886**	57,742,190	28,224,761
		1,137,475,546	1,151,696,269	1,058,548,090
Total assets		**2,576,387,845**	2,573,545,780	2,157,412,905
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized capital				
20,000,000 (2023: 20,000,000) ordinary shares of Rs 10/- each		**200,000,000**	200,000,000	200,000,000
Issued, subscribed and paid up capital	19	**199,650,000**	199,650,000	121,000,000
Capital reserves				
Share premium		**96,250,000**	96,250,000	96,250,000
Revenue reserves				
General reserve		**132,500,000**	132,500,000	132,500,000
Unappropriated profits		**245,467,046**	306,899,515	509,687,060
		377,967,046	439,399,515	642,187,060
		673,867,046	735,299,515	859,437,060
Non-current liabilities				
Lease liability	20	**30,735,132**	30,554,993	22,908,555
Long term financing	21	**199,674,758**	260,117,121	108,085,604
Deferred taxation - net		**-**	-	93,924,017
Deferred liabilities	22	**152,779,555**	177,424,113	117,724,115
		383,189,445	468,096,227	342,642,291
Current liabilities				
Short term borrowings	23	**814,396,265**	853,640,095	585,452,549
Trade and other payables	24	**513,301,777**	350,986,253	277,447,727
Loan from directors and sponsors	25	**19,500,000**	5,100,000	3,500,000
Accrued markup	26	**41,762,069**	55,907,933	16,917,764
Current maturity of lease liability	20	**15,957,545**	12,656,659	6,279,360
Current portion of long term financing	27	**78,365,130**	72,965,831	57,678,412
Current maturity of deferred government grant	22	**14,259,585**	16,887,604	6,061,316
Current maturity of gas infrastructure development cess		**19,783,320**	-	-
Unclaimed dividend		**2,005,663**	2,005,663	1,996,426
		1,519,331,354	1,370,150,038	955,333,554
Contingencies and commitments	28			
Total equity and liabilities		**2,576,387,845**	2,573,545,780	2,157,412,905

The annexed notes from 1 to 47 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, 2024

	Note	2024	(Restated) 2023
		Rupees	
Revenue- net	29	**3,804,189,397**	2,885,600,597
Cost of sales	30	**(3,503,756,811)**	(2,759,090,423)
Gross profit		**300,432,586**	126,510,174
Administrative expenses	31	**(109,277,764)**	(104,104,769)
Distribution expenses	32	**(44,152,120)**	(25,178,112)
Other operating expenses	33	**(835,619)**	(509,810)
		(154,265,503)	(129,792,691)
Operating profit / (loss)		**146,167,083**	(3,282,517)
Other income	34	**6,787,442**	20,043,771
Finance costs	35	**(249,986,488)**	(200,478,346)
		(243,199,046)	(180,434,575)
Loss before levies and taxation		**(97,031,963)**	(183,717,092)
Levies	36	**(47,780,303)**	(36,332,404)
Loss before taxation		**(144,812,266)**	(220,049,496)
Taxation	37	**69,318,100**	114,835,486
Loss after taxation		**(75,494,166)**	(105,214,010)
Loss per share - basic and diluted	38	**(3.78)**	(5.27)

The annexed notes from 1 to 47 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, 2024

	2024	(Restated) 2023
	Rupees	
Loss after taxation	**(75,494,166)**	(105,214,010)
Other comprehensive income / (loss)		
Items that will not be subsequently reclassified to profit or loss:		
Actuarial gain / (loss) on remeasurement of defined benefit obligation	**19,805,207**	(9,610,612)
Deferred tax on above	**(5,743,510)**	2,787,077
	14,061,697	(6,823,535)
Total comprehensive loss for the year	**(61,432,469)**	(112,037,545)

The annexed notes from 1 to 47 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, 2024

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves		Total
		Share premium	General reserve	Unappropriated profits	
	Rupees				
Balance as at June 30, 2022 (as previously reported)	121,000,000	96,250,000	132,500,000	248,486,285	598,236,285
Effect of correction of prior period errors (refer note 46)	-	-	-	261,200,775	261,200,775
Balance as at June 30, 2022 (as restated)	121,000,000	96,250,000	132,500,000	509,687,060	859,437,060
Total comprehensive loss for the year ended June 30, 2023					
- Loss after taxation (as restated)	-	-	-	(105,214,010)	(105,214,010)
- Other comprehensive loss	-	-	-	(6,823,535)	(6,823,535)
	-	-	-	(112,037,545)	(112,037,545)
Transaction with owners:					
Final dividend paid for the year ended June 30, 2022 @ Re. 1 /- per share	-	-	-	(12,100,000)	(12,100,000)
Bonus share @ 65% for the year ended June 30, 2022	78,650,000	-	-	(78,650,000)	-
	78,650,000	-	-	(90,750,000)	(12,100,000)
Balance as at June 30, 2023 (as restated)	199,650,000	96,250,000	132,500,000	306,899,515	735,299,515
Total comprehensive loss for the year ended June 30, 2024					
- Loss after taxation	-	-	-	**(75,494,166)**	**(75,494,166)**
- Other comprehensive income	-	-	-	**14,061,697**	**14,061,697**
	-	-	-	**(61,432,469)**	**(61,432,469)**
Balance as at June 30, 2024	**199,650,000**	**96,250,000**	**132,500,000**	**245,467,046**	**673,867,046**

The annexed notes from 1 to 47 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, 2024

	Note	2024	(Restated) 2023
CASH FLOWS FROM OPERATING ACTIVITIES		—— Rupees ——	
Loss before levies and taxation		**(97,031,963)**	(183,717,092)
Adjustments for:			
- Depreciation on property, plant and equipment	4	**63,538,420**	55,098,760
- Depreciation on right-of-use assets	5	**6,291,368**	6,291,368
- Depreciation on investment property	6	**4,582,080**	4,569,561
- Provision for staff retirement benefits		**23,340,433**	15,753,733
- Provision for gas rate difference		**-**	8,310,510
- Provision for slow moving items	33	**498,035**	159,810
- Unrealised gain on re-measurement of short term investments	34	**(526,748)**	(312,157)
- Gain on sale of operating fixed assets	34	**-**	8,763,250
- Profit on bank deposits		**(2,445,667)**	(2,258,048)
- Increase in provision for expected credit losses	33	**337,584**	350,000
- Finance costs	35	**249,986,488**	200,478,346
		345,601,993	297,205,133
Cash generated from operating activities before working capital changes		**248,570,030**	113,488,041
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
- Stock-in-trade		**33,625,777**	105,771,430
- Stores and spares		**(12,150,199)**	(9,524,601)
- Trade debts		**84,662,048**	(111,553,410)
- Loan and advances		**3,578,843**	1,000,339
- Trade deposits and short term prepayments		**(129,557,558)**	(919,182)
- Other receivables		**(9,647,393)**	(54,568,975)
- Sales tax refundable		**9,771,963**	(267,858)
Increase / (decrease) in current liabilities			
- Trade and other payables		**162,315,524**	72,869,227
		142,599,005	2,806,970
Cash generated from operations		**391,169,035**	116,295,011
- Income tax paid		**(43,096,236)**	(31,938,162)
- Contribution to staff retirement benefits fund		**(4,000,000)**	(2,400,000)
- Compensated absences paid		**-**	(123,238)
- Payment of Workers' Profit Participation Fund		**-**	(9,448,611)
- Finance cost paid		**(260,447,880)**	(156,457,643)
Net cash generated from / (used in) operating activities		**83,624,919**	(84,072,643)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(27,900,066)**	(360,365,867)
Short term investments made		**-**	(2,031,520)
Profit received on bank deposits		**2,445,667**	2,258,048
Proceeds from disposal of operating fixed assets		**-**	8,133,151
Net cash used in investing activities		**(25,454,399)**	(352,006,188)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received against musharaka facility		**-**	121,974,411
Repayment of long term musharaka		**(31,478,456)**	(29,903,031)
Repayment of loan against SBP Refinance facility for payment of wages and salaries		**-**	(15,282,135)
Islamic temporary economic refinance obtained		**-**	135,456,240
Repayment of loan against Islamic temporary economic refinance		**(27,970,570)**	-
Repayment of lease liability (principal repayment)		**(2,821,968)**	(4,346,008)
Short term borrowings - net		**(39,243,830)**	268,187,546
Loan received from directors and sponsors		**25,100,000**	10,375,000
Loan repaid to directors and sponsors		**(10,700,000)**	(8,775,000)
Dividend paid		**-**	(12,090,763)
Net cash (used in) / generated from financing activities		**(87,114,824)**	465,596,260
Net (decrease) / increase in cash and cash equivalents		**(28,944,304)**	29,517,429
Cash and cash equivalents at the beginning of the year		**57,742,190**	28,224,761
Cash and cash equivalents at the end of the year	18	**28,797,886**	57,742,190

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

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 asset	*3.14*

2.5 Changes in Accounting Standards, Interpretations and Amendments to Published Approved Accounting Standards

2.5.1 *Amendments to existing standards that became effective during the year*

The following new or amended standards and interpretations became effective during the period which are considered to be relevant to the Company's financial statements :

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The above amendments / interpretations do not likely have an effect on the financial statements of the Company except noted below:

The Company adopted the 'Disclosure of Accounting Policies' (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from July 01, 2023. Although the amendment did not result in any changes to the accounting policies themselves, it has affected the accounting policy information disclosed in the financial statements. The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

2.5.2 *Standards, interpretations and amendments to published approved accounting standards that are not yet effective*

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2023:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10and 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.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business

- International Tax Reform - Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). - The Amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the Pillar Two model rules and requires new disclosures about an entity's exposure to income taxes arising from the Pillar Two model rules for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, before its effective date. The mandatory temporary exception applies immediately and retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The disclosure requirements, in relation to periods in which Pillar Two legislation has been enacted but is yet to take effect for the entity, apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and FRS 7. Amendments to the Classification and Measurement of Financial instruments. The amendments:

  - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  - Clarify how to assess the contractual cash now characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.

  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI)

  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

- Annual Improvements - Volume Eleven:

  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

  - Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement

  - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

- Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

- Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

- Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.

- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.

- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method".

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material 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 these unconsolidated financial statements. Depreciation is charged when the asset is available for use till the time the asset is disposed off.

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

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

Capital work in progress

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

3.2 Leases

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

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

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

(a) *Right-of-use assets*

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

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

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

(b) *Lease liabilities*

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

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

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

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

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

3.3 Investment property

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

3.4 Investment in subsidiaries

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

3.5 Stores and spares

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

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

3.6 Stock-in-trade

Basis of valuation

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

Determination of cost

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

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of 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	at weighted average basis.
-	Stock-in-transit	at invoice price plus other charges paid thereon.
-	Work-in-process and finished goods	at weighted average cost comprising direct cost of raw material, labour and other manufacturing overheads.
-	Waste materials	at net realizable value

3.7 Trade debts

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

3.8 Cash and cash equivalents

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

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

3.9 Financial assets

3.9.1 Initial recognition, classification and measurement

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

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

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

(c) Financial assets at FVTPL

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

Such financial assets are initially measured at fair value.

3.9.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

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

3.9.3 *Impairment*

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

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

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

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

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

3.9.4 *De-recognition*

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

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

3.10 Financial liabilities

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

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

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

3.11 Offsetting of financial assets and financial liabilities

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

3.12 Government grants

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

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

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

3.13 Employee benefits

a) *Compensated absences*

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

b) *Defined benefit plan - staff gratuity*

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 Method.

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

3.14 Levies and Taxation

Levies

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

In these financial statements, levy includes minimum tax under section 113 of the Income Tax Ordinance,2001 over the normal tax liability computed there under, Workers' Welfare Fund expense and Workers' Profit Participation Fund expense.

Current tax

The portion of the income tax charge that is based on the 'taxable income' for a reporting period (as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder) is classified as a 'current tax'. Any excess charge over the said amount is now classified as a 'levy' in the statement of profit or loss.

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 unconsolidated financial statements. 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. 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 may be 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.

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 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.

3.18 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	**2024**	(Restated) 2023
		Rupees	Rupees
Operating fixed assets	*4.1*	**1,125,607,123**	1,161,245,477
Capital work in progress		**-**	-
		1,125,607,123	1,161,245,477

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
		Rupees										
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 (restated)	-	-	(38,574,207)	(20,939,207)	(7,897,396)	(299,310,301)	(6,230,945)	(8,291,513)	(311,285)	(10,127,018)	(1,859,850)	(393,541,722)
Net book value (restated)	5,282,619	5,000,000	88,863,673	15,535,765	4,922,241	671,020,461	4,207,616	7,594,650	10	50,019,570	1,053,749	853,500,354
Movement during the year ended June 30, 2023												
Opening net book value (restated)	5,282,619	5,000,000	88,863,673	15,535,765	4,922,241	671,020,461	4,207,616	7,594,650	10	50,019,570	1,053,749	853,500,354
Additions	-	-	5,263,098	1,833,725	-	337,633,022	-	630,295	-	2,945,000	-	348,305,140
Transferred from CWIP	-	-	8,885,149	-	-	22,549,995	-	-	-	-	-	31,435,144
Disposals:												
Cost	-	-	(1,722,895)	-	-	(32,878,169)	-	-	-	-	-	(34,601,064)
Accumulated depreciation (restated)	-	-	-	-	-	17,704,663	-	-	-	-	-	17,704,663
	-	-	(1,722,895)	-	-	(15,173,506)	-	-	-	-	-	(16,896,401)
Depreciation for the year (restated)	-	-	(2,718,281)	(2,657,157)	(118,587)	(39,324,920)	(978,762)	(1,359,044)	(10)	(7,649,889)	(292,110)	(55,098,760)
Closing net book value (restated)	5,282,619	5,000,000	98,570,744	14,712,333	4,803,654	976,705,052	3,228,854	6,865,901	-	45,314,681	761,639	1,161,245,477
As at June 30, 2023												
Cost	5,282,619	5,000,000	139,863,232	38,308,697	12,819,637	1,297,635,610	10,438,561	16,516,458	311,295	63,091,588	2,913,599	1,592,181,296
Accumulated depreciation (restated)	-	-	(41,292,488)	(23,596,364)	(8,015,983)	(320,930,558)	(7,209,707)	(9,650,557)	(311,295)	(17,776,907)	(2,151,960)	(430,935,819)
Net book value (restated)	5,282,619	5,000,000	98,570,744	14,712,333	4,803,654	976,705,052	3,228,854	6,865,901	-	45,314,681	761,639	1,161,245,477
Movement during the year ended June 30, 2024												
Opening net book value (restated)	**5,282,619**	**5,000,000**	**98,570,744**	**14,712,333**	**4,803,654**	**976,705,052**	**3,228,854**	**6,865,901**	**-**	**45,314,681**	**761,639**	**1,161,245,477**
Additions	**-**	**-**	**-**	**1,650,000**	**-**	**26,115,779**	**134,287**	**-**	**-**	**-**	**-**	**27,900,066**
Depreciation for the year	**-**	**-**	**(3,150,527)**	**(2,725,885)**	**(25,291)**	**(47,658,570)**	**(391,505)**	**(1,332,515)**	**-**	**(7,968,924)**	**(285,203)**	**(63,538,420)**
Closing net book value	**5,282,619**	**5,000,000**	**95,420,217**	**13,636,448**	**4,778,363**	**955,162,261**	**2,971,636**	**5,533,386**	**-**	**37,345,757**	**476,436**	**1,125,607,123**
As at June 30, 2024												
Cost	**5,282,619**	**5,000,000**	**139,863,232**	**39,958,697**	**12,819,637**	**1,323,751,389**	**10,572,848**	**16,516,458**	**311,295**	**63,091,588**	**2,913,599**	**1,620,081,362**
Accumulated depreciation	**-**	**-**	**(44,443,015)**	**(26,322,249)**	**(8,041,274)**	**(368,589,128)**	**(7,601,212)**	**(10,983,072)**	**(311,295)**	**(25,745,831)**	**(2,437,163)**	**(494,474,239)**
Net book value	**5,282,619**	**5,000,000**	**95,420,217**	**13,636,448**	**4,778,363**	**955,162,261**	**2,971,636**	**5,533,386**	**-**	**37,345,757**	**476,436**	**1,125,607,123**
Annual rate of depreciation (restated)			**5%**	**10%**	**5%**	**5%**	**10%**	**10%**	**10%**	**20%**	**20%**	
Residual Value in % (restated)			**35%**	**0%**	**35%**	**20%**	**0%**	**0%**	**0%**	**30%**	**0%**	

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	2024	(Restated) 2023
		Rupees	
Cost of sales- Manufacturing expenses	*30*	**38,515,190**	33,052,140
Cost of sales- Fuel and power	*30.3*	**7,053,248**	6,995,773
Administration expenses	*31*	**11,503,073**	8,387,964
Other income	*34*	**6,466,909**	6,662,883
		63,538,420	55,098,760

5. RIGHT-OF-USE ASSET

	Note	2024	2023
Opening book value		**32,054,127**	19,975,750
Additions during the year		**-**	18,369,745
		32,054,127	38,345,495
Less: Depreciation for the year	*31*	**(6,291,368)**	(6,291,368)
		25,762,759	32,054,127
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-22
Lease commencement date	01-Jul-22
Initial contracted term of the lease	11 Months
Availability of extension option	Yes
Assessed leased term	5 years

6. INVESTMENT PROPERTY

	Leasehold land	Building on leasehold land	Total
	Rupees		
As at June 30, 2022			
Cost	6,812,875	140,601,867	147,414,742
Accumulated depreciation (restated)	-	(39,156,489)	(39,156,489)
	6,812,875	101,445,378	108,258,253
Movement during the year ended June 30, 2023			
Opening net book value (restated)	6,812,875	101,445,378	108,258,253
Depreciation for the year (restated)	-	(4,569,561)	(4,569,561)
Closing net book value	6,812,875	96,875,817	103,688,692
As at June 30, 2023			
Cost	6,812,875	140,601,867	147,414,742
Accumulated depreciation (restated)	-	(43,726,050)	(43,726,050)
	6,812,875	96,875,817	103,688,692
Movement during the year ended June 30, 2024			
Opening net book value (restated)	**6,812,875**	**96,875,817**	**103,688,692**
Depreciation for the year	**-**	**(4,582,080)**	**(4,582,080)**
Closing net book value	**6,812,875**	**92,293,737**	**99,106,612**
As at June 30, 2024			
Cost	**6,812,875**	**140,601,867**	**147,414,742**
Accumulated depreciation	**-**	**(48,308,130)**	**(48,308,130)**
	6,812,875	**92,293,737**	**99,106,612**
Depreciation rate (per annum) (restated)	**-**	**5%**	
Residual Value in % (restated)	**-**	**35%**	

6.1 Investment property includes leasehold land and buildings thereon (warehouse), spreading 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. Harvester Services (Private) Limited on February 22, 2023. As per the valuation report, the fair value and forced sales value of the property were as follows:

	Fair value	Forced sales
	Rupees	
Leasehold land	**132,525,000**	106,020,000
Building on leasehold land	**309,386,650**	247,509,320
	441,911,650	353,529,320

7. INVESTMENT IN SUBSIDIARIES - At cost

Number of Shares			Note	2024	2023
				Rupees	
3,500,000	3,500,000	Sana Logistics (Private) Limited	*7.1*	**35,000,000**	35,000,000
5,999,999	5,999,999	Sana Distributors (Private) Limited	*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, 2024, the Company held 3,500,000 (2023: 3,500,000) ordinary shares of M/s. Sana Logistics (Private) Limited (SLPL) which gives the Company 70% (2023: 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, 2024, the summarized financial information of M/s. Sana Logistics (Private) Limited is as under:

	2024	(Restated) 2023
	Rupees	
Current assets	**176,913,230**	157,256,328
Non-current assets	**203,647,814**	231,959,620
Current liabilities	**239,553,149**	199,532,647
Non-current liabilities	**22,135,941**	62,934,178
Revenue-net	**338,697,232**	306,289,006
(Loss) after tax for the year	**(7,877,169)**	(4,687,710)
Total comprehensive (loss) for the year	**(7,877,169)**	(4,687,710)

7.2 Investment in Sana Distributors (Private) Limited

As at June 30, 2024, the Company held 5,999,999 (2023: 5,999,999) ordinary shares of M/s. Sana Distributors (Private) Limited (SDPL) which gives the Company 99.99% (2023: 99.99%) voting power in SDPL. The principal business activity of SDPL is the distribution of allied items, fast moving consumer goods , confectionery 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

	Note	2024	2023
		Rupees	
Long term security deposits with:			
- Utility companies	*47.2*	**13,700,551**	13,700,551
- Central Depository Company (CDC)		**12,500**	12,500
- Other		**100,000**	100,000
		13,813,051	13,813,051
Long term prepayments		**40,000**	40,000
		13,853,051	13,853,051

9. DEFERRED TAXATION- net

	2024			
	Balance at the beginning of the year (restated)	**(Charge) / income recognized in statement of profit or loss**	**(Charge) / income recognized in other comprehensive income**	**Balance at the end of the year**
	(Rupees)			
Deferred tax assets arising from:				
- Minimum tax	**50,342,561**	**38,936,476**	**-**	**89,279,037**
- Provision for staff retirement benefits	**21,773,316**	**5,608,726**	**(5,743,510)**	**21,638,532**
- Provision for slow moving items	**-**	**190,775**	**-**	**190,775**
- Unused Tax losses	**87,318,567**	**29,985,433**	**-**	**117,304,000**
- Gas infrastructure cess liability	**16,818,191**	**2,897,283**	**-**	**19,715,474**
- Allowance for expected credit losses	**721,135**	**97,900**	**-**	**819,035**
- Lease liability - net	**3,235,682**	**2,833,994**	**-**	**6,069,676**
- Deferred government grant	**17,758,890**	**(4,934,382)**	**-**	**12,824,508**
	197,968,342	**75,616,205**	**(5,743,510)**	**267,841,037**
Deferred tax liability arising from:				
- Accelerated depreciation allowance	**(162,973,387)**	**(9,238,049)**	**-**	**(172,211,436)**
- Islamic Temporary Economic Refinance Facility	**(18,986,781)**	**2,939,944**	**-**	**(16,046,837)**
	(181,960,168)	**(6,298,105)**	**-**	**(188,258,273)**
	16,008,174	**69,318,100**	**(5,743,510)**	**79,582,764**

	2023			
	Balance at the beginning of the year	(Charge) / income recognized in statement of profit or loss	(Charge) / income recognized in other comprehensive income	Balance at the end of the year
	(Restated)	(Restated)		(Restated)
	(Rupees)			
Deferred tax assets arising from:				
- Minimum tax	14,010,157	36,332,404	-	50,342,561
- Provision for staff retirement benefits	15,113,656	3,872,583	2,787,077	21,773,316
- Unused tax losses	-	87,318,567	-	87,318,567
- Gas infrastructure cess liability	14,346,678	2,471,513	-	16,818,191
- Allowance for expected credit losses	619,635	101,500	-	721,135
- Lease liability - net	1,512,934	1,722,748	-	3,235,682
- Deferred government grant	7,735,075	10,023,815	-	17,758,890
- Re-financing Scheme for salaries and wages	(13,010)	13,010	-	-
	53,325,125	141,856,140	2,787,077	197,968,342
Deferred tax liability arising from:				
- Accelerated depreciation allowance	(139,957,687)	(23,015,700)	-	(162,973,387)
- Islamic Temporary Economic Refinance Facility	(7,291,455)	(11,695,326)	-	(18,986,781)
	(147,249,142)	(34,711,026)	-	(181,960,168)
	(93,924,017)	107,145,114	2,787,077	16,008,174

	2024	2023
	Rupees	

10. STOCK IN TRADE

Raw materials		
- in hand	**66,763,052**	71,643,528
- in transit	**60,151,481**	30,811,348
	126,914,533	102,454,876
Packing materials	**10,387,464**	8,127,233
Work in process	**27,929,539**	35,348,344
Finished goods	**87,065,991**	143,434,226
Waste materials	**4,433,200**	991,825
	256,730,727	290,356,504

11. STORES AND SPARES

Stores and spares in hand	**31,313,964**	19,163,765
Less: provision against slow moving items	**(657,845)**	(159,810)
	30,656,119	19,003,955

12. TRADE DEBTS - Unsecured

Trade debts - gross	**475,688,381**	560,350,429
Less: Provision for expected credit losses	**(2,824,257)**	(2,486,673)
	472,864,124	557,863,756

		Note	2024	2023
			Rupees	
12.1	**Movement in provision for expected credit losses**			
	Balance at the beginning of the year		**2,486,673**	2,136,673
	Charge recognized during the year	*33*	**337,584**	350,000
	Balance at the end of the year		**2,824,257**	2,486,673

		Note	2024	2023
13.	**LOANS AND ADVANCES**			
	Loans to employees	*13.1*	**3,843,640**	4,168,918
	Advances:			
	- to contractors		**600,000**	175,000
	- to suppliers		**7,113,553**	10,792,118
			7,713,553	10,967,118
			11,557,193	15,136,036

13.1 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.

		Note	2024	2023
			Rupees	
14.	**DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Deposits			
	- Sui Southern Gas Company against gas rate increase	*28.1.2*	**130,413,213**	-
	-Others		**572,132**	558,010
			130,985,345	558,010
	Prepayments			
	-Insurance		**1,246,902**	2,116,679
			132,232,247	2,674,689
15.	**SHORT TERM INVESTMENTS**			
	Investment in Habib Islamic Investment Certificate	*15.1*	**1,705,555**	1,705,555
	Investment in units of mutual funds	*15.2*	**3,204,875**	2,678,127
			4,910,430	4,383,682

15.1 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 17% to 18% p.a. (2023: 9.50% to 12.60% p.a.).

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

2024	2023		**2024**		2023	
-- (Number of units) --		**Fund name**	**Cost**	**Fair value**	Cost	Fair value
			Rupees			
4,122	3,465	Faysal Islamic Cash Fund	**302,766**	**412,177**	302,766	346,487
27,526	23,232	Al Habib Islamic Saving Funds	**2,063,203**	**2,792,698**	2,063,203	2,331,640
31,648	26,697		**2,365,969**	**3,204,875**	2,365,969	2,678,127

		Note	2024	2023
16.	**OTHER RECEIVABLES**		Rupees	
	Receivable from:			
	Sana Logistics (Private) Limited	*16.1*	**95,704,575**	83,568,000
	Sana Distributors (Private) Limited		**-**	746,740
	Lasbela Chamber of Commerce and Industry		**1,000,000**	-
	Lasbela Industrial Estate Development Authority	*16.2*	**33,196,021**	33,196,021
	Other parties		**471,961**	3,214,403
			130,372,557	120,725,164

16.1 Receivable from Sana Logistics (Private) Limited

	2024	2023
Rent	**95,468,000**	79,536,000
Shared expenses	**236,575**	4,032,000
	95,704,575	83,568,000

16.1.1 The maximum amount due from M/s. Sana Logistics (Private) Limited during the year (by reference to month-end balances) was Rs. 97.868 million (2023: Rs. 89.096 million).

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

16.2 The Company's mill, located in Tehsil Hub, District Lasbela, Baluchistan, operates under a zero-rated status, which entitles it to subsidized electricity rates. From January 2019 to March 2023, the Lasbela Industrial Estate Development Authority (LIEDA) has billed the Company for electricity consumption at standard rates applicable to regular consumers, rather than the subsidized rates applicable to zero-rated entities.

Although the Company has paid the electricity bills in full as invoiced by LIEDA, it has recorded the expense in its financial statements at the subsidized rates it is entitled to under its zero-rated status. The excess amount, representing the difference between the standard rates billed and the subsidized rates, has been recorded as a receivable from LIEDA.

	2024		2023	
	Gross amount receivable	**Provision for expected credit losses**	Gross amount receivable	Provision for expected credit losses
	Rupees			
Past due 1 day - 30 days	**2,836,575**	-	6,353,694	-
Past due 31 days - 180 days	**6,500,000**	-	15,029,350	-
Past due 181 days - 1 year	**7,800,000**	-	20,095,925	-
Past due for over one year	**78,568,000**	-	42,089,031	-
	95,704,575	-	83,568,000	-

		Note	2024	2023
17.	**TAX REFUNDS DUE FROM GOVERNMENT**		Rupees	
	Income tax refundable	*17.1*	**54,999,624**	59,683,691
	Sales tax refundable		**14,354,639**	24,126,602
			69,354,263	83,810,293

17.1 Income tax refundable

	Note	2024	2023
Opening balance		**59,683,691**	56,387,561
Add: taxes deducted at source		**43,096,236**	39,628,534
		102,779,927	96,016,095
Less: Levies- Minimum tax under Income Tax Ordinance, 2001.		**(47,780,303)**	(36,332,404)
Closing balance	*17.1.1*	**54,999,624**	59,683,691

17.1.1 The income tax assessments of the Company have been finalized up to, and including, the tax year 2023. 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.

		Note	2024	2023
18.	**CASH AND BANK BALANCES**		Rupees	
	Cash in hand		**2,895,047**	8,036,375
	Cash at bank:			
	- Balance held in current accounts		**14,665,874**	10,114,137
	- Balance held in saving accounts	18.1	**9,736,965**	38,091,678
	- Term Deposit Receipt (TDR)		**1,500,000**	1,500,000
			25,902,839	49,705,815
			28,797,886	57,742,190

18.1 These carry profit at the rates ranging between 10% to 20% (2023: 3.5% to 12.5%) per annum.

19. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		2024	2023
No. of shares		Ordinary shares of Rs. 10/- each issued:	Rupees	
6,406,250	6,406,250	- for cash	**64,062,500**	64,062,500
13,558,750	13,558,750	- as bonus shares	**135,587,500**	135,587,500
19,965,000	19,965,000		**199,650,000**	199,650,000

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

		Note	2024	2023
20.	**LEASE LIABILITY**		Rupees	
	Opening balance		**43,211,652**	29,187,915
	Payments made during the year		**(2,821,968)**	(11,495,264)
	Recognized during the year		**-**	18,369,745
	Finance charges	35	**6,302,993**	7,149,256
			46,692,677	43,211,652
	Less: Current maturity shown under current liabilities		**(15,957,545)**	(12,656,659)
	Closing balance		**30,735,132**	30,554,993
21.	**LONG TERM FINANCING**			
	From a banking company			
	Diminishing Musharaka	21.1	**86,116,561**	116,262,386
	Islamic Temporary Economic Refinance Facility (ITERF)	21.2	**113,558,197**	143,854,735
			199,674,758	260,117,121
21.1	**Diminishing Musharaka**			
	- Habib Metropolitan Bank Limited		**-**	2,474,807
	- Bank Al Habib Limited	21.1.1	**67,935,051**	83,429,624
	- First Habib modaraba		**1,594,249**	2,650,500
	- Dubai Islami Bank Pakistan Limited	21.1.2	**47,547,175**	60,000,000
			117,076,475	148,554,931
	- Less: current maturity shown under current liabilities	27	**(30,959,914)**	(32,292,545)
			86,116,561	116,262,386

21.1.1 Bank Al-Habib Limited

Date of Disbursement	Nature of loan	Amount Disbursed (Rs.)	Limit	Profit Rate	Floor	Ceiling	Principal Outstanding as at June 30, 2024	Principal Outstanding as at June 30, 2023	Ending Date	Security
13-Dec-21	D.M-8887/21 (Vhl Fortuner Iby)	7,286,400	**14.325 Million (11,445,000/- or 80% of the cost of asset, whichever is lower)**	**6M KIBOR + 1.75%**	**6%**	**20%**	**1,366,200**	4,098,600	13-Dec-24	1. Pari passu charge over Stocks and Receivables for Rs. 167.00 Mn Inclusive of 25% Margin.1. Registered Specific Hypothecation Charge over Specific DM Assets For Rs. 14.512 Mn. 2. Equitable mortgage charge over land, building including plant and machinery of Rs. 551.328 million constructed on plot survey No. 54 located at Deh Gondpass at Tapo Gabopat, Kemari town, Karachi. 3. Personal guarantee of the following directors covering aggregate exposure: a) Mr. Muhammad Irfan Nawab. b) Mr. Ibrahim Younus. c) Mr. Muhammad Younus Nawab.
13-Dec-21	D.M-8888/21 (Vhl Toyta Crolla I.)	3,100,000		**6M KIBOR + 1.75%**	**6%**	**20%**	**600,000**	1,800,000	13-Dec-24	
28-Feb-22	Diminishing Musharika 3008	19,278,120	**(187.5 millions) BAHL Exposure over DM shall not be exceed Rs. 150 million or 80% of the cost of asset, whichever is less**	**6M KIBOR + 1.5%**	**5%**	**20%**	**15,797,348**	19,278,120	28-Feb-2029	1. Pari passu charge over Stocks and Receivables for Rs. 167.00 Mn Inclusive of 25% Margin.1. Registered Specific Hypothecation Charge over Specific DM Assets For Rs. 14.512 Mn. 2. Import documents consigned to the order of BAHL. 3. Equitable mortgage charge over land, building including plant and machinery of Rs. 551.328 million constructed on plot survey No. 54 located at Deh Gondpass at Tapo Gabopat, Kemari town, Karachi. 4. Personal guarantee of the following directors covering aggregate exposure a) Mr. Muhammad Irfan Nawab. b) Mr. Ibrahim Younus. c) Mr. Muhammad Younus Nawab.
29-Jul-22	D.M-5230- (1 Set Murata Vortex Spinner)	51,424,000					**44,281,778**	51,424,000	29-Jul-2029	
05-Jul-22	D.M- 4871 (Ring Spinning Frame)	7,899,911					**5,889,725**	6,828,904	5-Jul-2029	
							67,935,051			

21.1.2 **Dubai Islamic Bank**

Date of Disbursement	Nature of loan	Amount Disbursed (Rs.)	Limit (June 30,2024)	Profit Rate (June 30,2024)	Floor (June 30,2024)	Ceiling (June 30,2024)	Principal Outstanding as at June 30, 2024	Principal Outstanding as at June 30, 2023	Ending Date	Security
2-Mar-23	D.M (LC 211060002) (Murata Vortex)	60,000,000	**60,000,000**	**3M Kibor + 2%**	**N/A**	**N/A**	**47,547,175**	60,000,000	10-Dec-2027	1. Personal guarantee of directors i.e. Mr. Muhammad Younus Nawab, Mr. Muhammad Irfan Nawab and Mr Muhammad Ibrahim Younus along with personal net worth statements. 2. Nil cash margin or as per SBP directives, whichever is higher. 3. Lien over import documents. First exclusive hypothecation charge over machinery for Rs. 80 million to be registered with SECP. Initially, ranking charge will be created, which will be upgraded to 1st exclusive charge within 120 days from the date of disbursement of DM.
							47,547,175			

21.2 Financing under Islamic Temporary Economic Refinance Facility (ITERF)

	Note	2024	2023
		Rupees	
Balance at the beginning of the year		**184,528,021**	93,998,330
Loan proceeds received from Bank Al Habib Ltd	*21.2.1*	-	28,712,000
Loan proceeds received from Dubai Islamic Bank Ltd	*21.2.2*	-	106,744,240
		-	135,456,240
Less: Element of government grant recognised as deferred income	*22.1*	-	(51,269,557)
		184,528,021	178,185,013
Interest recognized on unwinding of the liability	*35*	**17,201,447**	20,482,195
Repayments during the year		**(40,766,055)**	(14,139,187)
		160,963,413	184,528,021
Less: Current portion shown under current liabilities	*27*	**(47,405,216)**	(40,673,286)
		113,558,197	143,854,735

21.2.1 The Company has obtained a long-term financing facility from M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 89.892 million (2023: 100 million) and the drawn down amount is Rs. 81.559 million (2023: Rs. 97.029 million).

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

(a) The applicable markup rate is 5% per annum (2023: 5%);

(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 installments.

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

21.2.2 The Company has obtained a long-term financing facility from M/s. Dubai Islamic Bank Limited (DIBL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 150 million (2023: Rs. 150 million) and the drawn down amount is Rs. 134.738 million (2023: Rs. 146.395 million).

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

(a) The applicable markup rate is 5% per annum (2023: 5%);

(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.

21.2.3 Since the facilities carry 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).

	Note	**2024**	2023
22. DEFERRED LIABILITIES		Rupees	
Deferred government grant	*22.1*	**29,962,855**	44,349,949
Staff retirement benefits- defined benefit plan (gratuity)	*22.2*	**74,615,627**	75,080,401
Provision for Gas Infrastructure Development Cess	*22.3*	**48,201,073**	57,993,763
		152,779,555	177,424,113

22.1 Deferred government grant

	Note	**2024**	2023
Opening balance		**61,237,553**	22,074,833
Add: Element of government grant for the year	*21.2*	**-**	51,269,557
Less: Amortization of government grant for the year		**(17,015,113)**	(12,106,837)
		(17,015,113)	39,162,720
		44,222,440	61,237,553
Less: Current maturity shown under current liabilities		**(14,259,585)**	(16,887,604)
		29,962,855	44,349,949

22.2 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, 2024 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	**2024**	2023
		Rupees	
Present value of the defined benefit obligation	*22.2.1*	**132,200,694**	125,805,727
Fair value of the plan assets	*22.2.2*	**(57,585,067)**	(50,725,326)
		74,615,627	75,080,401

22.2.1 Movement in defined benefit obligation

	2024	2023
Opening defined benefit obligation	**125,805,727**	99,103,894
Current service cost	**11,464,868**	9,240,458
Interest cost	**19,661,034**	12,934,078
Benefits paid by the fund	**(9,629,493)**	(2,954,001)
Remeasurement gain/ (loss) on obligation	**(15,101,442)**	7,481,298
Closing defined benefit obligation	**132,200,694**	125,805,727

	Note	2024	2023
22.2.2 Movement in the fair value of plan assets		——— Rupees ———	
Balance at beginning of the year		**50,725,326**	46,987,838
Expected return on plan assets		**7,785,469**	6,420,803
Contribution		**4,000,000**	2,400,000
Benefits paid by the fund		**(9,629,493)**	(2,954,001)
Remeasurement gain / (loss) on plan assets		**4,703,765**	(2,129,314)
Balance at end of the year		**57,585,067**	50,725,326

22.2.3 Expense recognized in the statement of profit or loss

	Note	2024	2023
Current service cost		**11,464,868**	9,240,458
Net interest expense		**11,875,565**	6,513,275
		23,340,433	15,753,733
Allocation of the expenses:			
- Cost of sales	*30.2*	**9,336,173**	6,301,493
- Administrative expenses	*31.1 - 31.2*	**12,137,025**	8,191,941
- Distribution cost	*32.1*	**1,867,235**	1,260,299
		23,340,433	15,753,733

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

	2024	2023
Remeasurement of the present value of defined benefit obligation		
- Financial assumptions	**(6,923,299)**	(3,946,846)
- Demographic assumptions	**900,488**	-
- Experience adjustments	**(9,078,631)**	11,428,144
	(15,101,442)	7,481,298
Remeasurement of the fair value of plan assets		
- Financial assumptions	**(4,703,765)**	2,129,314
	(19,805,207)	9,610,612

22.2.5 Sensitivity analysis

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

	Impact on defined benefit obligation		
June 30, 2024	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	
Discount rate	**1%**	**127,825,456**	**137,069,998**
Expected rate of salary increase	**1%**	**137,675,519**	**127,179,975**
Mortality age	**1 year**	**125,805,727**	**125,805,727**
Withdrawal rates	**10%**	**132,200,694**	**132,200,694**

	Impact on defined benefit obligation		
June 30, 2023	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	
Discount rate	1%	119,292,091	133,354,087
Expected rate of salary increase	1%	133,908,098	118,679,288
Mortality age	1 year	125,805,727	125,805,727
Withdrawal rates	10%	125,805,727	125,805,727

22.2.6 Principal assumptions used

	2024	2023
Withdrawal rates	**High**	High
Mortality rates	**SLIC 2001-2005**	SLIC 2001-2005
Expected rate of increase in future salary (per annum)	**14.75%**	16.25%
Discount rate - per annum	**14.75%**	16.25%
Expected rate of return on plan assets	**14.75%**	16.25%
Normal retirement age	**60 years**	60 years

22.2.7 Composition of plan assets

	2024	2023
	Rupees	
Equity securities and units of mutual funds	**55,532,583**	48,672,942
Bank balances	**857,104**	857,004
Investment Certificate	**1,195,380**	1,195,380
	57,585,067	50,725,326

22.2.8 The duration as at valuation date works out to 3.5 years (2023: 5.59 years).

22.3 Gas Infrastructure Development Cess liability

	Note	2024	2023
		Rupees	
Opening balance		**57,993,763**	49,471,304
Unwinding of GIDC liability	*35*	**9,990,630**	8,522,459
		67,984,393	57,993,763
Less: current maturity shown under current liabilities		**(19,783,320)**	-
		48,201,073	57,993,763

22.3.1 Provision for Gas Infrastructure Development Cess

In December 2011, the federal government, for the first time, imposed the levy of GIDC (the cess) through the promulgation of gas infrastructure development cess Act, 2011 (GIDC Act, 2011), which subsequently, was widely challenged on several legal grounds. In June 2013, the high court of Peshawar, passed judgement whereby it struck down the GIDC Act , 2011 declaring the said law as unconstitutional. Subsequent to the decision , the GIDC Ordinance 2014 was promulgated which expired in May 2015. In the same month, the Supreme Court of Pakistan upheld the said judgement. Following the judgement of Apex court, the GIDC ordinance ,2014 received presidential assent after having been passed by both the houses of parliament as GIDC Act, 2015. The GIDC Act,2015, provided for retrospective levy of cess for the period from January 2011 to May 2015.(as imposed under the struck down GIDC Act, 2011 and GIDC Ordinance, 2014) with different cess rates prescribed for each sector.

The Company along with several other petitioners filed review petitions before the Supreme Court of Pakistan challenging the applicability of the GIDC on the Company including the amount to be recovered including its retrospective application from the year 2011. The Supreme Court was pleased to clarify that the question as to the retrospective applicability of GIDC from 2011 to 2015 would remain open to be decided by the High Courts.

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 July 2020, Sui Southern Gas Company vide its gas bill charged an amount of Rs. 156.5 million against GIDC. the Company has recognized a provision based on the units consumed at applicable rates amounting to Rs. 95 million (2023:95 million) and remaining amount of Rs. 61.5 million (2023:61.5 million) has not been acknowledged as debt.(refer note 28.1.1).

23. SHORT TERM BORROWINGS

	Note	2024	2023
		Rupees	
Istisna financing:			
Habib Metropolitan Bank Limited	*23.1*	**299,760,773**	141,227,933
Habib Bank Limited	*23.2*	**199,889,169**	199,680,457
Bank Al Habib Limited	*23.3*	**42,252,687**	16,808,253
		541,902,629	357,716,643
Murabaha financing:			
Habib Metropolitan Bank Limited	*23.4*	**-**	157,892,945
Bank Al Habib Limited	*23.5*	**82,533,580**	108,190,756
		82,533,580	266,083,701
Wakala Financing:			
Dubai Islamic Bank Limited	*23.6*	**189,960,056**	229,839,751
		814,396,265	853,640,095

23.1 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, 2023: Rs. 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, 2023: 6 months KIBOR + 3%). The maximum tenor of the Istisna Financing is 150 days.

The arrangement is secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to Rs. 550 million with 30 % margin (2023: Rs. 550 million with the 30% margin);
- 1st charge registered over stocks / receivables amounting to Rs. 400 million (2023: Rs. 400 million) with a 25% margin; and
- Equitable mortgage over industrial property having market value of Rs. 1,615.142 million.
- Cash margin of Rs. 10 million.
- Personal guarantees of the directors and corporate guarantee of Sana Logistics (private) Limited and Sana Distributors (private) Limited .

23.2 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 200 million (2023: Rs. 200 million) . The mark-up rate on the financing is 6 months KIBOR + 1.5% per annum (2023 : 6 months KIBOR + 1.5% per annum) . 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. 267 million with the 40% margin (2023 : Rs. 267 million with the 40% margin);
- 1st charge registered over stocks / receivables amounting to Rs. 267 million with a 25% margin (2023: Rs. 267 million with a 25% margin; and
- Personal guarantees of directors namely : Mr. Muhammad Yunus Nawab, Mr. Muhammad Irfan Nawab, Mr. Muhammad Ibrahim Yunus , Mr. Muhammad Ismail Yunus and Mr. Faizanullah.

23.3 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 50 million (2023 : Rs. 50 million). The mark-up rate on the financing is 6 months KIBOR + 1.75% per annum (2023: 6 months KIBOR + 1.75% per annum). The maximum tenor of the Istisna Financing is 120 days.

The arrangement is secured against the following:

- Equitable mortgage charge registered over land, building and plant and machinery amounting to Rs. 551 million(2023: Rs. 551 million);

- pari passu charge registered over stocks / receivables amounting to Rs. 167 million with a 25% margin (2023:Rs. 167 million with a 25% margin) ; and

- Personal guarantees of directors namely :Mr. Muhammad irfan nawab, Mr. Muhammad yunus nawab and Mr. Muhammad ibrahim yunus, covering aggregate exposure

23.4 Short term Murabaha Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 300 million (2023: Rs. 300 million). The mark-up rate on the financing is 6 months KIBOR + 2% per annum (2023: 6 months KIBOR + 2% per annum). The maximum tenor of the Istisna Financing is 150 days.

The arrangement is secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to Rs. 550 million with 30 % margin (2023: Rs. 550 million with the 30% margin);

- 1st charge registered over stocks / receivables amounting to Rs. 400 million (2023: Rs. 400 million) with

- Equitable mortgage over industrial property having market value of Rs. 1,615.142 million.

- Cash margin of Rs. 10 million.

- Personal guarantees of directors and corporate guarantee of Sana Logistics and Sana Distributors.

23.5 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 (2023: 125 million). The markup rate on murabaha facility is average KIBOR + 1.75% (2023: 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 (2023: Rs. 167 million with a 25% margin);

- Equitable mortgage over land, building and plant and machinery amounting to Rs. 551.4 million (2023: Rs. 551.4 million) over survey 54 , located at Kemari Town and;

23.6 Short term wakala financing has been obtained under shariah arrangement for the purchase of raw material. The bank has approved the facility of Rs. 190 million (2023: Rs. 190 million). The markup rate on the facility is matching KIBOR + 1.75% per annum (2023: matching KIBOR + 1.75% per annum). The maximum tenor is 180 days.

The arrangement is secured against the following:

- First pari passu charge over current assets of the Company with 25% margin amounting to Rs. 307 million.

- Corporate guarantee of M/s Sana Logistics (Private) Limited and M/s Sana Distributors (Private) Limited and;

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

23.7 As at June 30, 2024, the Company had unavailed short term financing facilities amounting to Rs. 604,000 (2023: Rs. 11.5 million).

24. TRADE AND OTHER PAYABLES

	Note	2024	2023
		Rupees	
Creditors		**192,438,164**	92,673,397
Advance from customers		**88,984,643**	103,821,855
Accrued expenses		**125,866,335**	26,018,020
Provision for gas tariff difference	*24.1*	**51,505,591**	79,017,042
Workers' Profits Participation Fund payable	*24.2*	**12,355,992**	12,355,992
Workers' Welfare Fund payable		**3,596,811**	3,596,811
Sales tax payable		**16,936,903**	16,518,802
Withholding Income tax payable		**10,112,585**	5,484,188
Due to related party	*24.3*	**3,722,445**	500,000
Others		**7,782,308**	11,000,146
		513,301,777	350,986,253

24.1 Provision for gas tariff difference

	Note	2024	2023
Provision under Suit 129 of 2017	*24.1.1*	**51,505,591**	51,505,591
Provision under Suit 1790 of 2020 & 1798 of 2020	*24.1.2*	**-**	27,511,451
		51,505,591	79,017,042

24.1.1 On December 30, 2016, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. (1)/2016 whereby, with effect from December 15, 2016, 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, 2024, amounted to Rs. 51.505 million (2023: Rs. 51.505 million).

On September 06, 2024, the Sindh High Court passed a judgment whereby the impugned notification was declared as void ab anitio. However, the provision has not been reversed as the said judgement has been suspended for the period of thirty days as mentioned in the said order and it is probable that the defendants may file appeal against the said judgement before the apex court.

24.1.2 On October 23, 2020, the OGRA issued S.R.O. No. 1107(I)/2020 whereby, with effect from September 01, 2020, the sale price of natural gas for the aforesaid class of gas consumers was increased to Rs. 819 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 & Suit No. 1798 of 2020) before the Court. In its interim order dated May 25, 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. 33 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court.

On February 18, 2023, the Court announced its final verdict in Suit No. 1790 of 2020 and Suit No. 1798 of 2020 (and several other connected suits on similar matters) upholding the validity of the aforesaid notification (i.e. S.R.O. 1107(I)/2020 dated October 23, 2020 issued by the OGRA). The said decision also discussed, at length, the issue of incremental tariff chargeable to gas consumers falling under the category 'Captive Power' and made it explicit that that the Company would fall into such category of gas consumers and, thus, would be subjected to the incremental tariff of Rs. 852 per MMBTU as specified in the S.R.O. 1107(I)/2020.

During the year ended June 30, 2024, the Company paid an amount of Rs. 27.5 million to Sui Southern Gas Company (along with monthly gas bills) in respect of the said provision.

		2024	2023
24.2	**Workers' Profit Participation Fund payable**	Rupees	
	Opening balance	**12,355,992**	19,997,203
	Add: interest accrued	**-**	1,807,400
	Less: payments during the year	**-**	(9,448,611)
		12,355,992	12,355,992

24.3 This represents an amount payable to the subsidiary M/s. Sana Distributors (Private) Limited for reimbursement of certain expenses incurred on behalf of the Company.

		2024	2023
25.	**LOAN FROM DIRECTORS - unsecured**	Rupees	
	Loan from directors	**19,500,000**	5,100,000

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

			2024	2023
26.	**ACCRUED MARKUP**	*Note*	Rupees	
	Markup accrued on:			
	-Short term borrowings		**40,058,668**	50,646,224
	-Long term financing- Diminishing Musharaka		**1,703,401**	5,261,709
			41,762,069	55,907,933
27.	**CURRENT PORTION OF LONG-TERM FINANCING**			
	Current maturity of long term musharaka	*21.1*	**30,959,914**	32,292,545
	Current maturity of ITERF	*21.2*	**47,405,216**	40,673,286
			78,365,130	72,965,831

28. CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

28.1.1 The Company has not recognized the additional amount of cess in respect of GIDC amounting to Rs. 61.5 million (being the difference of Rs. 95 million recognized in books as mentioned in note 22.3.1, and Rs. 156.5 million as notified to the Company through monthly gas bills upto July 2020).

28.1.2 During the year, the sale price of natural gas for "export oriented power" was increased by OGRA from Rs. 1,100 per MMBTU to Rs. 2,400 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated November 08, 2023. The said notification was challenged by the several petitioners in Sindh High Court (SHC) on constitution and factual grounds . The Sindh High Court passed interim order, dated December 18, 2023, suspending the said notification subject to the condition that the petitioners (i.e. the gas consumers) shall deposit the differential amount of Rs. 1,300 per MMBTU in cash with the Nazir of the Court in seven days and in case of failure of payment on two consecutive months, interim order shall be deemed as recalled in respect of the Company. The Company joined the case on February 13, 2024 to benefit from the said injunction.

Subsequently, sale price of natural gas was further increased by OGRA from Rs. 2,400 per MMBTU to Rs. 2,750 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated February 15, 2024. The said notification was also challenged by the Company in Sindh High Court (SHC) on constitution and factual grounds . The Sindh High Court passed another interim order, dated May 6, 2024, suspending the said notification subject to the condition that the petitioner (i.e. the gas consumer) shall continue to deposit the differential amount of Rs. 1,650 per MMBTU in cash with the Nazir of the Court in seven days and in case of failure of payment on two consecutive months, interim order shall be deemed as recalled in respect of the Company. The Company has paid the full amount of the gas bills from the month of November as per above said new notifications of OGRA and based on the suspension of these notifications in interim orders of the Sindh High Court, the Company has not recorded provision for gas in its cost to the extent of Rs. 130.4 million.

The Company has paid an excess amount of Rs. 96.1 million to SSGC against the bills of November 2023 to June 2024 up to the reporting date.

		Note	2024	2023
			Rupees	
28.2	**Commitments**			
	Irrevocable letters of credit issued in respect of purchase of raw materials and capital expenditure		**58,240,067**	114,659,718
	Custom duties, sales tax and income taxes on stock in transit.		**17,968,030**	7,526,612
	Revolving letter of guarantee issued by commercial banks in favour of Sui Southern Gas Company Ltd.		**33,420,771**	33,420,771
29.	**REVENUE - net**			
	Yarn sales		**4,480,716,456**	3,392,184,892
	Wastage sales		**17,774,260**	9,449,793
			4,498,490,716	3,401,634,685
	Less: Sales tax		**(690,927,785)**	(511,397,942)
	Less: Commission and discounts		**(3,373,534)**	(4,636,146)
			3,804,189,397	2,885,600,597

		Note	2024	(Restated) 2023
30.	**COST OF SALES**		Rupees	
	Raw and packing materials consumed	*30.1*	**2,328,009,874**	1,961,858,192
	Manufacturing expenses			
	Salaries, wages and benefits	*30.2*	**365,558,854**	318,551,427
	Fuel and power	*30.3*	**566,305,853**	287,922,374
	Stores and spares consumed		**79,225,925**	85,373,705
	Depreciation on operating fixed assets	*4.1.2*	**38,515,190**	33,052,140
	Repairs and maintenance		**17,994,056**	5,536,949
	Services procured		**10,977,063**	6,294,099
	Vehicle repairs and maintenance		**8,532,160**	8,801,265
	Water expenses		**7,852,268**	6,358,576
	Loading and unloading expenses		**6,492,757**	6,656,544
	Security expenses		**5,633,976**	4,666,486
	Insurance		**4,668,701**	3,515,978
	Entertainment expenses		**1,777,370**	1,559,561
	Rent, rates and taxes		**192,450**	250,000
	Other manufacturing expenses		**1,674,649**	6,651,597
			1,115,401,272	775,190,701
	Work-in-process - opening stock		**35,348,344**	27,994,064
	Work-in-process - closing stock		**(27,929,539)**	(35,348,344)
			7,418,805	(7,354,280)
			3,450,829,951	2,729,694,613
	Cost of goods manufactured			
	Finished goods - opening stock		**143,434,226**	173,477,436
	Waste material- opening stock		**991,825**	344,425
	Finished goods - closing stock		**(87,065,991)**	(143,434,226)
	Waste material- closing stock		**(4,433,200)**	(991,825)
			52,926,860	29,395,810
			3,503,756,811	2,759,090,423

			2024	2023
30.1	**Raw and packing materials consumed**		Rupees	
	Opening stock		**79,770,761**	127,830,818
	Add: Purchases during the period		**2,325,389,629**	1,913,798,135
			2,405,160,390	2,041,628,953
	Less : Closing stock		**(77,150,516)**	(79,770,761)
			2,328,009,874	1,961,858,192

30.2 This includes an amount of Rs. 9.336 million (2023: Rs. 6.301 million) in respect of staff retirement benefits.

			2024	(Restated) 2023
30.3	**Fuel and power- generation costs**	*Note*	Rupees	
	Gas expenses		**387,843,036**	177,951,756
	Electricity		**137,468,517**	70,518,937
	Generator operation and maintenance		**30,813,728**	30,324,960
	Repairs and maintenance		**2,279,820**	1,427,197
	Depreciation on operating fixed assets	*4.1.2*	**7,053,248**	6,995,773
	Insurance		**564,090**	455,917
	Electricity duty		**283,414**	247,834
			566,305,853	287,922,374

31. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	*31.1*	**30,921,484**	29,648,210
Directors' remuneration	*31.2*	**33,491,000**	32,514,388
Meeting fee		**260,000**	300,000
Printing and stationery		**585,727**	477,858
Legal and professional charges		**3,908,673**	4,899,708
Fees and subscription		**3,138,297**	3,546,085
Travelling and conveyance		**282,432**	1,875,034
Repairs and maintenance		**5,919,966**	6,058,601
Depreciation on operating fixed assets	*4.1.2*	**11,503,073**	8,387,964
Depreciation on right-of-use assets	*5*	**6,291,368**	6,291,368
Security expenses		**344,753**	359,661
Electricity and gas		**4,943,494**	3,067,384
Insurance		**2,036,300**	1,564,933
Donation		**-**	1,000,000
Auditors' remuneration	*31.3*	**1,360,000**	1,263,240
Miscellaneous		**4,291,197**	2,850,335
		109,277,764	104,104,769

31.1 This includes an amount of Rs. 9.261 million (2023: Rs. 6.5 million) in respect of staff retirement benefits.

31.2 This includes an amount of Rs. 2.876 million (2023: Rs. 1.64 million) in respect of staff retirement benefits.

		Note	2024	2023
			Rupees	
31.3	**Auditors' remuneration**			
	Audit fee (including audit of consolidated financial statements)		**965,100**	877,840
	Half yearly review fee		**290,400**	290,400
	Statutory certifications		**77,000**	70,000
	Out-of-pocket expenses		**27,500**	25,000
			1,360,000	1,263,240

		Note	2024	2023
32.	**DISTRIBUTION EXPENSES**			
	Salaries, wages and benefits	*32.1*	**10,292,935**	8,552,576
	Packing and forwarding expenses		**32,070,343**	15,135,496
	Communication		**741,120**	282,225
	Sales promotion expenses		**555,980**	974,090
	Miscellaneous expense		**491,742**	233,725
			44,152,120	25,178,112

32.1 This includes an amount of Rs. 1.867 million (2023: Rs. 1.260 million) in respect of staff retirement benefits.

		Note	2024	2023
			Rupees	
33.	**OTHER OPERATING EXPENSES**			
	Provision for expected credit losses	*12.1*	**337,584**	350,000
	Provision against slow moving store items		**498,035**	159,810
			835,619	509,810

		Note	2024	(Restated) 2023
			Rupees	
34.	**OTHER INCOME**			
	Rental income-net			
	Rental income		**15,600,000**	17,789,700
	Operation and maintenance charges		**-**	896,449
			15,600,000	18,686,149
	Less: Related expenses			
	Depreciation on property, plant and equipment	*4.1.2*	**(6,466,909)**	(6,662,883)
	Depreciation on investment property	*6*	**(4,582,080)**	(4,569,561)
	Insurance		**(925,132)**	(936,285)
			(11,974,121)	(12,168,729)
			3,625,879	6,517,420
	Return on deposits - Islamic bank		**1,961,896**	2,011,301
	Profit on Habib Islamic Investment Certificate		**301,783**	170,983
	Profit on Term Deposit Receipt (TDR)		**181,988**	75,764
	Loss on sale of operating fixed assets		**-**	(8,763,250)
	Unrealized gain on short term investment		**526,748**	312,157
	Income relating to receivable from LIEDA		**-**	19,671,881
	Others		**189,148**	47,515
			6,787,442	20,043,771

	Note	2024	2023
		Rupees	
35. FINANCE COSTS			
Markup and interest charges on:			
- Long term financing		**32,043,330**	21,401,150
- Short term borrowings		**200,831,814**	152,091,250
- Lease liability	*20*	**6,302,993**	7,149,256
- SBP refinance scheme for payment of salaries and wages		**-**	217,289
Financing under ITERF facility	*21.2*	**17,201,447**	20,482,195
Amortization of related deferred government grant		**(17,015,113)**	(12,106,837)
		186,334	8,375,358
Bank charges		**181,121**	311,819
Finance charges on Workers' Profit Participation Fund	*24.2*	**-**	1,807,400
Documentation charges		**80,911**	130,227
Unwinding of GID cess liability	*22.3*	**9,990,630**	8,522,459
Guarantee commission		**331,503**	457,829
Local letter of credit charges		**37,852**	14,309
		249,986,488	200,478,346

	2024	(Restated) 2023
36. LEVIES	Rupees	
Minimum tax under normal tax regime	**47,780,303**	36,332,404
37. TAXATION		
Current tax- prior year	**-**	(7,690,372)
Deferred	**(69,318,100)**	(107,145,114)
	(69,318,100)	(114,835,486)

37.1 The numerical reconciliation between tax expense and accounting loss has not been presented for the current year and comparative year in these financial statements as the total income of the Company for the current and previous year attracted the provisions of minimum tax under section 113 of the Income Tax Ordinance, 2001.

38. LOSS PER SHARE

	2024	(Restated) 2023
Basic loss per share	Rupees	
Loss after taxation	**(75,494,166)**	(105,214,010)
Weighted average number of ordinary shares outstanding during the year	**19,965,000**	19,965,000
Loss per share - basic	**(3.78)**	(5.27)

Diluted loss per share

There is no dilutive effect on the basic loss per share of the Company, since there were no potential shares in issue as at June 30, 2024 and June 30, 2023.

39. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Rupees							
Basic salary	**13,708,200**	13,708,200	**6,978,720**	6,978,720	**11,039,590**	11,851,556	**31,726,510**	32,538,476
House rent allowance	**5,319,600**	5,319,600	**2,708,160**	2,708,160	**4,284,020**	4,680,000	**12,311,780**	12,707,760
Retirement benefits	**1,644,743**	1,396,194	**970,257**	1,218,806	**5,072,482**	7,204,110	**7,687,482**	9,819,110
Utilities	**1,432,200**	1,432,200	**729,120**	729,120	**1,153,390**	1,260,000	**3,314,710**	3,421,320
	22,104,743	21,856,194	**11,386,257**	11,634,806	**21,549,482**	24,995,666	**55,040,482**	58,486,666
Number of persons	**1**	1	**1**	1	**4**	4		

39.1 The Chief Executive and Director have also been provided with free use of the Company maintained cars and residential telephones. The Executives have been provided with Company maintained cars and mobile phones.

40. PLANT CAPACITY AND ACTUAL PRODUCTION

	2024	2023
	Number	
Number of spindles installed	**39,588**	35,752
Number of spindles operated	**39,588**	35,752
Installed capacity in kgs. after conversion into 30 single count	**8,476,187**	8,090,678
Actual production of yarn in kgs. after conversion into 30 single count	**7,182,054**	6,425,548
Number of shifts worked per day	**3**	3

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

41. FINANCIAL INSTRUMENTS

41.1 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.

41.1.1 *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:

		2024	2023
		Rupees	
Long-term deposits		**13,813,051**	13,813,051
Trade debts	*(a)*	**475,688,381**	560,350,429
Short term loan to employees		**3,843,640**	4,168,918
Short term trade deposits		**572,132**	558,010
Short term investments		**1,705,555**	1,705,555
Other receivables		**(34,236,677)**	87,529,143
Bank balances	*(b)*	**25,902,839**	49,705,815
		487,288,921	717,830,921

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

	30-Jun-24		30-Jun-23	
	Gross carrying amount	**Life time expected credit losses**	Gross carrying amount	Life time expected credit losses
	Rupees			
Not past due	**292,564,069**	**-**	443,007,525	828,891
Past due 1 day - 30 days	**32,935,426**	**-**	36,758,788	-
Past due 31 days - 60 days	**9,428,432**	**-**	23,540,973	643,200
Past due 61 days - 90 days	**11,902,509**	**63,343**	16,514,273	1,014,582
Past due 91 days - 120 days	**24,112,697**	**10,218**	30,616,512	-
Above 120 days	**104,745,248**	**2,750,696**	9,912,358	-
	475,688,381	**2,824,257**	560,350,429	2,486,673

The bank balances along with credit ratings are tabulated below:

Bank	**Rating agency**	**Short-term Rating**	**2024**	2023
			Rupees	
Habib Metropolitan Bank Limited	PACRA	A-1+	**16,560,483**	24,402,598
Meezan Bank Limited	JCR-VIS	A-1+	**2,056,798**	11,745,965
Bank Al-Habib Limited	PACRA	A-1+	**4,087,140**	5,082,109
Bank Alfalah Limited	PACRA	A-1+	**555,676**	1,627,182
United Bank Limited	JCR-VIS	A-1+	**176,831**	212,874
National Bank of Pakistan	JCR-VIS	A-1+	**454,084**	385,606
Habib Bank Limited	JCR-VIS	A-1+	**850,902**	1,616,655
Faysal Bank Limited	JCR-VIS	A-1+	**220,663**	1,099,259
Dubai Islamic Bank Limited	JCR-VIS	A-1+	**500,124**	2,900,956
Al-Baraka Bank Limited	JCR-VIS	A-1	**200,000**	200,000
J.S Bank Limited	PACRA	A-1+	**240,138**	432,611
			25,902,839	49,705,815

41.1.2 *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.

	June 30, 2024							
	Carrying amount	**Contractual Cash flows**	**Repayable on demand**	**Not later than one month**	**One to three months**	**Three months to one year**	**One to five years**	**More than Five years**
	---------- Amount in Rs. ----------							
Lease liability	**46,692,677**	**54,647,871**	**-**	**10,865,696**	**3,414,581**	**9,943,675**	**30,423,919**	**-**
Long term financing including accrued markup	**279,743,289**	**417,793,838**	**-**	**9,396,200**	**18,558,879**	**147,331,075**	**230,583,316**	**11,924,368**
Short term borrowings including accrued markup	**854,454,933**	**1,413,191,988**	**-**	**172,424,298**	**447,883,798**	**792,883,892**	**-**	**-**
Trade and other payables	**482,655,478**	**513,301,777**	**-**	**-**	**-**	**513,301,777**	**-**	**-**
Loan from directors and sponsors	**19,500,000**	**19,500,000**	**19,500,000**	**-**	**-**	**-**	**-**	**-**
	1,683,046,377	**2,418,435,474**		**192,686,194**	**469,857,258**	**1,463,460,419**	**261,007,235**	**11,924,368**

	June 30, 2023							
	Carrying amount	Contractual Cash flows	Repayable on demand	Not later than one month	One to three months	Three months to one year	One to Five years	More than Five years
	---------- Amount in Rs. ----------							
Lease liability	43,211,652	43,211,652	-	2,109,443	4,218,887	6,328,330	30,554,992	-
Long term financing including accrued markup	265,378,830	528,604,147	-	17,685,323	35,370,646	59,055,047	401,924,875	14,568,256
Short term borrowings including accrued markup	904,286,319	904,286,319	-	150,714,387	301,428,773	452,143,160	-	-
Trade and other payables	325,386,452	350,986,253	-	58,497,709	116,995,418	175,493,127	-	-
Loan from directors and sponsors	5,100,000	5,100,000	5,100,000	-	-	-	-	-
	1,543,363,253	**1,832,188,371**	**5,100,000**	**229,006,862**	**458,013,724**	**693,019,664**	**432,479,867**	**14,568,256**

41.1.3 *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).

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

	2024	2023	2024	2023
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - *Saving account*	**10%-20%**	3.5%-12.5%	**9,736,965**	38,091,678
Term deposit receipt	**-**	-	**1,500,000**	1,500,000
Short term investments	**17%-18%**	9.5%-12.6%	**1,705,555**	1,705,555
Financial liabilities				
Short term borrowings	**18.1%-22.3%**	16.98%-25.97%	**814,396,265**	853,640,095

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 the carrying amount 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, 2024		
Cash flow sensitivity-Variable rate financial instrument	**(8,014,537)**	8,014,537
As at June 30, 2023		
Cash flow sensitivity-Variable rate financial liabilities	**(8,123,429)**	8,123,429

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 any material price risk.

41.2 Financial instruments by categories

	June 30, 2024		
Financial assets	**At fair value through profit or loss**	**At Amortized cost**	**Total**
	Rupees		
Long term deposits	-	13,813,051	13,813,051
Trade debts - unsecured	-	475,688,381	475,688,381
Short term loan to employees	-	3,843,640	3,843,640
Short term trade deposits	-	572,132	572,132
Short term investments	3,204,875	1,705,555	4,910,430
Other receivables	-	(34,236,677)	(34,236,677)
Cash and bank balances	-	28,797,886	28,797,886
	3,204,875	490,183,968	493,388,843

As at June 30, 2024	**Financial liabilities at amortized cost**
Financial liabilities	– Rupees –
Long term financing including accrued markup	279,743,289
Lease liability	46,692,677
Short term borrowings including accrued markup	854,454,933
Trade and other payables	482,655,478
Loans from directors and sponsors	19,500,000
	1,683,046,377

Financial assets	June 30, 2023 At fair value through profit or loss	At Amortized cost	Total
	Rupees		
Long term deposits	-	13,813,051	13,813,051
Trade debts - unsecured	-	560,350,429	560,350,429
Short term loan to employees	-	4,168,918	4,168,918
Short term trade deposits	-	558,010	558,010
Short term investments	2,678,127	1,705,555	4,383,682
Other receivables	-	120,725,164	120,725,164
Cash and bank balances	-	57,742,190	57,742,190
	2,678,127	759,063,317	761,741,444

Financial liabilities	Financial liabilities at amortized cost – Rupees –
Long term financing including accrued markup	265,378,830
Lease liability	43,211,652
Short term borrowings including accrued markup	904,286,319
Trade and other payables	325,386,452
Loans from directors and sponsors	5,100,000
	1,543,363,253

42. 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.

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, 2024	Level 1	Level 2	Level 3	Total
	----------Amount in Rupees ----------			
Financial assets mesured at fair value				
Short term investment in units of mutual funds	**3,204,875**	**-**	**-**	**3,204,875**

June 30, 2023	Level 1	Level 2	Level 3	Total
	----------Amount in Rupees ----------			
Financial assets mesured at fair value				
Short term investments	2,678,127	-	-	2,678,127

43. 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:

	2024	(Restated) 2023
Borrowings:	Rupees	
Long term financing	**279,743,289**	265,378,830
Loans from directors and sponsors	**19,500,000**	5,100,000
	299,243,289	270,478,830
Shareholders' equity:		
- Issued, subscribed and paid up capital	**199,650,000**	199,650,000
- General reserve	**132,500,000**	132,500,000
- Share premium	**96,250,000**	96,250,000
- Unappropriated profits	**245,467,046**	306,899,515
	673,867,046	735,299,515
Total capital managed by the Company	**973,110,335**	1,005,778,345

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

44. 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 39 to the unconsolidated financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

	2024	2023
	Rupees	
SUBSIDIARIES		
Sana Logistics (Private) Limited		
Transactions during the year		
Rental income earned	**15,600,000**	17,789,700
Reimbursement of operation and maintenance expenses to Sana Logistics (Private) Limited	**5,000,000**	118,416
Balances as at the year end		
Rent receivable from Sana Logistics (Private) Limited	**95,468,000**	79,536,000
Receivable from Sana Logistics (Private) Limited in respect of operation and maintenance expenses.	**236,575**	4,032,000
Sana Distributors (Private) Limited		
Transactions during the year		
Rental income earned	**1,290,000**	2,189,700
Received from Sana Distribution (Private) Limited in respect of rent, operation and maintenance expenses.	**2,036,740**	2,758,284
Balances as at the year end		
Receivable in respect of operation and maintenance expenses.	-	746,740
KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS		
Mohammad Younus Nawab (Chairman)		
Transactions during the year		
Loan obtained during the year	-	1,500,000
Loan repaid during the year	**300,000**	1,000,000
Balances as at the year end		
Loan payable as of the reporting date	**200,000**	500,000
Mohammad Irfan Nawab (CEO)		
Transactions during the year		
Loan obtained during the year	**14,800,000**	1,500,000
Loan repaid during the year	**6,000,000**	-
Balances as at the year end		
Loan payable as of the reporting date	**12,300,000**	3,500,000

	2024	2023
	Rupees	
Ibrahim Younus (Director)		
Transactions during the year		
Loan obtained during the year	**1,000,000**	5,875,000
Loan repaid during the year	**1,000,000**	5,675,000
Balances as at the year end		
Loan payable as of the reporting date	**200,000**	200,000
Ismail Younus (Director)		
Transactions during the year		
Loan obtained during the year	**-**	1,500,000
Loan repaid during the year	**-**	1,500,000
Muhammad Faizanullah (Director)		
Transactions during the year		
Loan obtained during the year	**8,300,000**	-
Loan repaid during the year	**2,400,000**	600,000
Balances as at the year end		
Loan payable as of the reporting date	**6,800,000**	900,000
Sabiha Younus (Spouse of Chairman / Sponsor)		
Transactions during the year		
Rent paid during the year	**1,410,984**	-
Afshan Irfan (Spouse of CEO / Sponsor)		
Transactions during the year		
Loan obtained during the year	**1,000,000**	-
Loan repaid during the year	**1,000,000**	-
Rent paid during the year	**1,410,984**	-

45. SEGMENT INFORMATION

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

(a) Revenue from sale of yarn represents 99.60% % (2023: 99.73%) of the total revenue of the Company.

(b) 100% (2023:100%) of the gross sales of the Company were made to customers based in Pakistan.

(c) As at June 30, 2024 and June 30, 2023 all non-current assets of the Company were located in Pakistan.

(d) Revenue earned from major customers having sales of more than 10% of the total sales amounted to Rs. 2,696.36 million (2023: Rs 1,466.317 million).

46. RESTATEMENT OF THE CORRESPONDING FIGURES

46.1 Change in accounting policy - Current tax

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as *'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'* . The circular clarifies that any taxes whose calculation is *not* based on **'taxable profit'** (as defined in the International Accounting Standard (IAS) 12 *'Income Taxes'*) do not meet the definition of **'current tax'** as per that standard. Instead, such taxes should be treated as **'levies'** falling within the scope of IFRIC 21 *'Levies'* and the IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'* .

In light of the guidance provided in, and as required by, the said circular, the Company has changed its accounting policy for current tax whereby *only* the portion of the income tax charge that is based on the *'taxable income'* for a reporting period *(as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder)* is now classified as a **'current tax'**. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a **'levy'** in the statement of profit or loss. However, the said change in accounting policy has no effect on the accounting for deferred income taxes i.e., the deferred tax liabilities / assets continue to be accounted for based on the taxable / deductible temporary differences and the tax rate(s) enacted or substantively enacted by the end of the reporting period.

In these financial statements, the said change in accounting policy has been accounted for *retrospectively* (see note 46.3 below for further information). If the said change in accounting policy had, however, not been made, the following items in the statement of profit or loss would have been reported as follows:

	2024	2023
	Rupees	
Loss before levies and taxation	**(97,031,963)**	(183,717,092)
Levies	**-**	-
Loss before taxation	**(97,031,963)**	(183,717,092)
Taxation	**21,537,797**	78,503,082
Loss after taxation	**(75,494,166)**	(105,214,010)
Loss per share - basic and diluted	**(3.78)**	(5.27)

46.2 Correction of prior period errors

As required by the IAS 16 *'Property, Plant and Equipment'*, the Company, at the end of its recent annual reporting period (i.e., June 30, 2024), reviewed the useful lives and residual values of its buildings, plant & machinery and vehicles *(classified as property, plant and equipment)* and that of its warehouse situated at Survey No. 54, Deh Gondpass, Tappo Gabapat, Kemari Town, Karachi *(classified as investment property)* to see if the current expectations differ from the previous expectations and there is any need to revise such accounting estimates.

As a result of this exercise, it was transpired that the *actual* remaining useful lives and / or residual values of the aforementioned assets were significantly greater than those based on the original estimates. However, the said increase could not be attributed any recent BMR activities (such as major overhauls or structural changes to the assets); instead, the same was found to be resulting from the original incorrect estimates of the useful lives and / or residual values of the assets. Specifically, it was concluded that:

(a) **original useful lives** of both the buildings and plant & machinery were **20 years** (instead of 10 years, as previously estimated) resulting in the annual depreciation rate of **5%** (instead of 10%, as previously used); and

(b) **original residual values** of the buildings, plant & machinery and vehicles were estimated to be 35%, 20% and 30%, respectively, of the cost (instead of Nil residual values, as assumed previously).

Accordingly, in these financial statements, all the above errors have been corrected *retrospectively* (see note 46.3 below for further information).

46.3 Combined effects of restatement of the corresponding figures

In these financial statements, the change in accounting policy (referred to in note 46.1 above) as well as the correction of prior period errors (referred to in note 46.2 above) have been accounted for retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 *'Accounting Policies, Changes in Accounting Estimates and Errors'* and all the corresponding figures affected thereby have been restated. Further, since these restatements have material effects on the statement of financial position as at the beginning of the earliest period presented (i.e. June 30, 2022), the said statement has also been presented in these financial statements in accordance with the requirements of the IAS 1 *'Presentation of Financial Statements'* .

The retrospective effects on the corresponding figures presented in these financial statements are as follows:

Effects on the statement of financial position

	June 30, 2023			June 30, 2022		
	As previously reported	As restated	Change	As previously reported	As restated	Change
	(Rupees)					
Assets						
Property, plant and equipment	823,193,060	1,161,245,477	338,052,417	569,444,924	872,874,771	303,429,847
Investment property	33,353,146	103,688,692	70,335,546	43,799,684	108,258,253	64,458,569
Deferred taxation-net	134,440,683	16,008,174	(118,432,509)	12,763,624	(93,924,017)	(106,687,641)
Share capital and reserves						
Unappropriated profits	16,944,061	306,899,515	289,955,454	248,486,285	509,687,060	261,200,775

Effects on the statement of profit or loss / statement of comprehensive income

	For the year ended June 30, 2023		
	As previously reported	As restated	Change
	(Rupees)		
Revenue - net	2,885,600,597	2,885,600,597	-
Cost of sales	(2,804,125,964)	(2,759,090,423)	45,035,541
Gross profit	81,474,633	126,510,174	45,035,541
Administrative expenses	(107,219,878)	(104,104,769)	3,115,109
Selling and distribution costs	(25,178,112)	(25,178,112)	-
Other operating expenses	(509,810)	(509,810)	-
	(132,907,800)	(129,792,691)	3,115,109
Operating profit	(51,433,167)	(3,282,517)	48,150,650
Other income	27,694,874	20,043,771	(7,651,103)
Finance costs	(200,478,346)	(200,478,346)	-
	(172,783,472)	(180,434,575)	(7,651,103)
Loss before taxation and levies	**(224,216,639)**	**(183,717,092)**	**40,499,547**
Levies	-	(36,332,404)	(36,332,404)
Loss before taxation	**(224,216,639)**	**(220,049,496)**	**4,167,143**
Taxation	90,247,950	114,835,486	24,587,536
Loss after taxation	**(133,968,689)**	**(105,214,010)**	**28,754,679**
Earnings per share- basic and diluted	**(6.71)**	**(5.27)**	**1.44**
Increase in other comprehensive income			-
Increase in total comprehensive income			**28,754,679**

47. GENERAL

47.1 Number of employees

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

	2024	2023
	Number	
Total number of employees as at year	**254**	250
Average number of employees during the year	**252**	249

47.2 Reclassification of corresponding figures

In these financial statements, the following corresponding figures have been rearranged and reclassified, for the purposes of comparison and better presentation.

Reclassified from component	Reclassified to component	*Note*	Rupees
Advance against gas connection-SSGC (Other receivables)	Long term deposits and prepayments (Non current assets)	8 & 16	11,097,000
Repairs and maintenance (Fuel and power- generation costs)	Generator operation and maintenance (Fuel and power- generation costs)	30.3	23,400,000

47.3 Date of authorization for issue

These unconsolidated financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on 30th Sep 2024.

47.4 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, 2024**, 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, 2024** and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with 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

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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 Rafiq Dosani**.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 03, 2024
UDIN: AR202410210DGIBW3etJ

Sana Industries Limited

Consolidated Statement of Financial Position

As at June 30, 2024

	Note	2024	(Restated) June 30, 2023	(Restated) June 30, 2022
ASSETS		Rupees		
Non- current assets				
Property, plant and equipment	4	**1,404,310,305**	1,447,787,521	1,167,755,644
Right-of-use assets	5	**42,070,427**	61,099,145	42,580,955
Intangibles		**536,854**	727,454	806,667
Long term advance		**1,300,000**	1,000,000	1,951,000
Long term deposits and prepayments	6	**13,853,051**	13,853,051	2,756,051
Deferred tax asset - net	7	**70,594,685**	1,894,704	-
		1,532,665,322	1,526,361,875	1,215,850,317
Current assets				
Stock-in-trade	8	**278,257,605**	333,776,000	452,097,042
Stores and spares		**30,656,119**	19,003,955	9,479,354
Trade debts	9	**675,949,160**	781,346,479	612,794,092
Loans and advances	10	**44,504,533**	20,262,483	20,539,433
Deposits and short term prepayments	11	**133,708,266**	4,369,590	3,293,268
Short term investments	12	**19,835,430**	19,308,682	2,664,319
Other receivables	13	**37,817,607**	65,295,814	20,186,543
Tax refunds due from government		**125,874,236**	140,770,016	139,338,723
Cash and bank balances	14	**36,785,150**	76,196,579	70,244,958
		1,383,388,106	1,460,329,598	1,330,637,732
Total assets		**2,916,053,428**	2,986,691,473	2,546,488,049
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized capital	15	**200,000,000**	200,000,000	200,000,000
Issued, subscribed and paid-up capital	15	**199,650,000**	199,650,000	121,000,000
Capital reserve:				
Share premium		**96,250,000**	96,250,000	96,250,000
Revenue reserves				
General reserves		**132,500,000**	132,500,000	132,500,000
Unappropriated (Loss) / profit		**237,727,569**	306,891,860	542,451,071
		370,227,569	439,391,860	674,951,071
Equity attributable to the shareholders of Holding Company		**666,127,569**	735,291,860	892,201,071
Non controlling interest		**75,933,332**	71,976,623	64,845,162
Total equity		**742,060,901**	807,268,483	957,046,233
Non-current liabilities				
Lease liability	16	**33,591,299**	56,802,629	40,287,420
Deferred tax		**-**	-	78,699,325
Subordinated loan from directors		**20,000,000**	20,000,000	-
Long term financing	17	**199,949,399**	263,050,026	116,182,974
Deferred liabilities	18	**152,779,555**	177,424,113	117,724,113
		406,320,253	517,276,768	352,893,832
Current liabilities				
Short term borrowings	19	**888,940,711**	928,626,277	664,841,418
Trade and other payables	20	**567,247,539**	492,611,533	371,298,302
Accrued markup	21	**43,495,805**	57,837,225	18,045,663
Loans from directors and associates	22	**114,204,960**	60,865,000	65,055,000
Unclaimed dividend		**2,005,663**	2,005,663	1,996,426
Taxation-net		**203,273**	-	1,167,422
Current maturity of lease liability	16	**36,778,788**	24,366,149	33,859,137
Current maturity of deferred government grant	18.1	**14,259,585**	16,887,604	6,326,048
Current maturity of gas infrastructure development cess		**19,783,320**	-	-
Current maturity of long term financing	23	**80,752,630**	78,946,771	73,958,568
		1,767,672,274	1,662,146,222	1,236,547,984
Contingencies and commitments	24			
Total equity and liabilities		**2,916,053,428**	2,986,691,473	2,546,488,049

The annexed notes from 1 to 43 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, 2024

	Note	2024	(Restated) 2023
		Rupees	
Revenue - net	*25*	**5,564,127,125**	4,306,337,889
Cost of sales and services	*26*	**(5,117,285,633)**	(4,047,247,006)
Gross profit		**446,841,492**	259,090,883
Administrative expenses	*27*	**(153,751,045)**	(148,051,810)
Distribution expenses	*28*	**(115,244,041)**	(81,890,314)
Other operating expense	*29*	**(1,216,850)**	(1,859,810)
Other income	*30*	**9,370,234**	31,452,437
		(260,841,702)	(200,349,497)
Operating profit		**185,999,790**	58,741,386
Finance costs	*31*	**(271,820,593)**	(222,341,081)
Loss before levies and taxation		**(85,820,803)**	(163,599,695)
Levies	*32*	**(61,589,750)**	(39,118,525)
Loss before taxation		**(147,410,553)**	(202,718,220)
Taxation	*33*	**68,141,274**	71,864,005
Loss after taxation		**(79,269,279)**	(130,854,215)
Attributable to:			
- Shareholders of the Holding Company		**(83,225,988)**	(137,985,676)
- Non-controlling interest		**3,956,709**	7,131,461
		(79,269,279)	(130,854,215)
Loss per share - basic and diluted		**(4.17)**	(6.91)

The annexed notes from 1 to 43 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, 2024

	2024	(Restated) 2023
	Rupees	
Loss after taxation	**(79,269,279)**	(130,854,215)
Other Comprehensive income / (loss)		
Items that will not be reclassified subsequently to profit or loss		
Actuarial gain / (loss) on remeasurement of defined benefit obligation	**19,805,207**	(9,610,612)
Deferred tax on above	**(5,743,510)**	2,787,077
	14,061,697	(6,823,535)
Total comprehensive loss for the year	**(65,207,582)**	(137,677,750)
Attributable to:		
- Shareholders of the Holding Company	**(69,164,291)**	(144,809,211)
- Non - controlling interest	**3,956,709**	7,131,461
	(65,207,582)	(137,677,750)

The annexed notes from 1 to 43 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, 2024

	Issued, subscribed and paid-up capital	Capital reserve	Revenue Reserves				
		Share Premium	General reserves	Un-appropriated profit	Total reserves	Total equity attributable to the shareholders of Holding Company	Non - controlling interest
	Rupees						
Balance as at June 30, 2022 (as previously reported)	121,000,000	96,250,000	132,500,000	254,936,150	483,686,150	604,686,150	53,567,671
Effect of correction of prior period errors (refer note 42)	-	-	-	287,514,921	287,514,921	287,514,921	11,277,491
Balance as at June 30, 2022 (as restated)	121,000,000	96,250,000	132,500,000	542,451,071	771,201,071	892,201,071	64,845,162
Total comprehensive loss for the year ended year ended June 30, 2023							
- Loss after taxation (as restated)	-	-	-	(137,985,676)	(137,985,676)	(137,985,676)	7,131,461
- Other comprehensive loss	-	-	-	(6,823,535)	(6,823,535)	(6,823,535)	-
	-	-	-	(144,809,211)	(144,809,211)	(144,809,211)	7,131,461
Transaction with owners							
Final dividend paid for the year ended June 30, 2022 @ Re. 1/- per share	-	-	-	(12,100,000)	(12,100,000)	(12,100,000)	- -
Bonus shares @ 10% for the year ended June 30, 2022	78,650,000	-	-	(78,650,000)	(78,650,000)	-	-
	78,650,000	-	-	(90,750,000)	(90,750,000)	(12,100,000)	-
Balance as at June 30, 2023 (as restated)	**199,650,000**	**96,250,000**	**132,500,000**	**306,891,860**	**535,641,860**	**735,291,860**	**71,976,623**
Total comprehensive loss for the year ended June 30, 2024							
- Loss after taxation	**-**	**-**	**-**	**(83,225,988)**	**(83,225,988)**	**(83,225,988)**	**3,956,709**
- Other comprehensive income	**-**	**-**	**-**	**14,061,697**	**14,061,697**	**14,061,697**	**-**
	-	**-**	**-**	**(69,164,291)**	**(69,164,291)**	**(69,164,291)**	**3,956,709**
Balance as at June 30, 2024	**199,650,000**	**96,250,000**	**132,500,000**	**237,727,569**	**466,477,569**	**666,127,569**	**75,933,332**

The annexed notes from 1 to 43 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, 2024

	Note	2024	(Restated) 2023
CASH FLOWS FROM OPERATING ACTIVITIES		Rupees	
Loss before levies and taxation		**(85,820,803)**	(163,599,695)
Adjustments for:			
- Depreciation on operating fixed assets	4.1.1	**81,413,625**	72,323,201
- Depreciation on right-of-use assets	5	**19,028,718**	18,473,835
- Ammortization of intangible		**190,600**	182,213
- Provision for staff retirement benefits	18.2.3	**23,340,432**	15,753,733
- Provision for gas rate difference		**-**	8,310,510
- Increase in provision for expected credit losses	29	**718,815**	1,700,000
- Provision of slow moving items	29	**498,035**	159,810
- (Gain) / loss on sale of operating fixed assets	30	**(1,709,707)**	8,840,712
- Gain on remeasurement of lease liability		**-**	(13,979,714)
- Profit on bank deposits	30	**(5,095,390)**	(4,463,142)
- Unrealized gain on remeasurement of short term investments	30	**(526,748)**	(312,157)
- Finance costs	31	**271,820,593**	222,341,081
		389,678,973	329,330,082
Cash generated from operating activities before working capital changes		**303,858,170**	165,730,387
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
- Stock in trade		**55,518,395**	118,321,042
- Stores and spares		**(12,150,199)**	(9,684,411)
- Trade debts		**104,678,504**	(170,252,387)
- Loan and advances		**(24,242,050)**	276,950
- Trade deposits and short term prepayments		**(129,338,676)**	(1,076,322)
- Other receivables		**27,478,207**	(56,206,272)
Increase in current liabilities			
- Trade and other payables		**74,636,006**	116,244,371
		96,580,187	(2,377,029)
Cash generated from operations		**400,438,357**	163,353,358
- Income tax paid		**(52,792,914)**	(47,660,187)
- Contribution to staff retirement benefits fund		**(4,000,000)**	(2,400,000)
- Compensated absences paid		**-**	(123,238)
- Payment of Workers' Profit Participation Fund		**-**	(9,448,611)
- Finance cost paid		**(279,767,050)**	(178,248,221)
- Long term advances - net		**(300,000)**	951,000
Net cash generated from operating activities		**63,578,393**	(73,575,899)
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisition of property, plant and equipment		**(38,626,703)**	(369,428,142)
- Additions to intangibles		**-**	(103,000)
- Short term investment in units of mutual funds		**-**	(16,332,206)
- Profit received		**5,095,390**	4,463,142
- Proceeds from disposal of operating fixed assets		**2,400,000**	8,232,351
Net cash used in investing activities		**(31,131,313)**	(373,167,855)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Loan received under Diminishing Musharaka facility		**-**	121,974,411
- Principal repaid under Diminishing Musharaka facility		**(36,565,625)**	(32,603,112)
- Subordinated loan from directors		**-**	20,000,000
- Principal repaid under SBP Refinance Scheme for Payment of Wages		**-**	(27,170,940)
- Islamic temporary economic refinance obtained		**-**	135,456,240
- Repayment of loan against Islamic temporary economic refinance		**(27,970,570)**	-
- Principal repayment under Islamic Auto Finance		**(1,164,535)**	(874,795)
- Repayment of lease liability (principal portion)		**(19,812,173)**	(15,990,089)
- Loan borrowed / (repaid) to directors and associates		**53,339,960**	(4,190,000)
- Short term borrowings - net		**(39,685,566)**	268,184,420
- Dividend paid		**-**	(12,090,760)
Net cash used in financing activities		**(71,858,509)**	452,695,375
Net increase / (decrease) in cash and cash equivalents		**(39,411,429)**	5,951,621
Cash and cash equivalents at the beginning of the year		**76,196,579**	70,244,958
Cash and cash equivalents at the end of the year	14	**36,785,150**	76,196,579

The annexed notes from 1 to 43 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, 2024, the Holding Company held 70% (2023: 70%) ordinary shares of Sana Logistics (Private) Limited and 100% (2022: 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, Baluchistan, 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 feet.

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 Confectionary , Allied items and other fast moving consumer goods 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 Changes in Accounting Standards, Interpretations and Amendments to Published Approved Accounting Standards

2.5.1 *Amendments to existing standards that became effective during the year*

The following new or amended standards and interpretations became effective during the period which are considered to be relevant to the Group's financial statements :

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The above amendments / interpretations do not likely have an effect on the financial statements of the Group except noted below:

The Group adopted the 'Disclosure of Accounting Policies' (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from July 01, 2023. Although the amendment did not result in any changes to the accounting policies themselves, it has affected the accounting policy information disclosed in the financial statements. The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

2.5.2 *Standards, interpretations and amendments to published approved accounting standards that are not yet effective*

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2023:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a group must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the group's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, groups also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a group might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business

- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and FRS 7. Amendments to the Classification and Measurement of Financial instruments. The amendments:

    - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

    - Clarify how to assess the contractual cash now characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.

  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI)

  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

- Annual Improvements - Volume Eleven:

  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

  - Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.

  - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

  - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

  - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

  - Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.

  - Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

  - Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.

- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method".

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Group and are not likely to have any material impact on the Group's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material 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

3.1.1 *Business combination*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group unless the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory, in which case they are accounted using merger accounting policies. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3.1.2 *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3 *Non-controlling interests - NCI*

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation.

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 to these consolidated 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 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 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 the 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.

Defined benefit plan- staff gratuity

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.

3.15 Levies and taxation

Levies
A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

In these financial statements, levy includes the excess of minimum tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax liability computed there under , Workers' Welfare Fund expense and Workers' Profit Participation Fund expense.

Current tax
The portion of the income tax charge that is based on the 'taxable income' for a reporting period (as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder) is classified as a 'current tax'. Any excess charge over the said amount is now classified as a 'levy' in the statement of profit or loss.

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 consolidated 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 group 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. 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.

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 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 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	2024	(Restated) 2023
		Rupees	
Operating fixed assets	*4.1*	**1,400,550,281**	1,445,062,847
Capital work in progress	*4.2*	**3,760,024**	2,724,674
		1,404,310,305	1,447,787,521

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, 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 (restated)	-	-	(67,236,544)	(32,307,856)	(7,897,396)	(307,833,438)	(29,235,307)	(10,819,169)	(311,285)	(19,595,614)	(3,965,247)	(193,425)	(479,395,281)
Net book value (restated)	12,095,494	5,000,000	200,803,203	7,008,246	4,922,241	742,735,553	99,990,171	10,602,042	10	59,876,754	2,622,839	-	1,145,656,553
Year ended June 30, 2023													
Opening net book value (restated)	12,095,494	5,000,000	200,803,203	7,008,246	4,922,241	742,735,553	99,990,171	10,602,042	10	59,876,754	2,622,839	-	1,145,656,553
Additions	-	-	5,263,098	1,833,725	-	337,633,022	1,599,500	1,025,244	-	9,309,977	702,849	-	357,367,415
transferred from CWIP	-	-	8,885,149	-	-	22,549,995	-	-	-	-	-	-	31,435,144
Disposals													
Cost	-	-	(1,722,895)	-	-	(32,878,169)	-	(124,500)	-	(53,200)	-	-	(34,778,764)
Accumulated depreciation (restated)	-	-	-	-	-	17,704,663	-	1,037	-	-	-	-	17,705,700
Net book value (restated)	-	-	(1,722,895)	-	-	(15,173,506)	-	(123,463)	-	(53,200)	-	-	(17,073,064)
Depreciation for the year (restated)	-	-	(7,287,842)	(2,941,271)	(118,587)	(36,692,846)	(9,954,854)	(1,768,513)	(10)	(12,656,467)	(902,811)	-	(72,323,201)
Closing net book value (restated)	12,095,494	5,000,000	205,940,713	5,900,700	4,803,654	1,051,052,218	91,634,817	9,735,310	-	56,477,064	2,422,877	-	1,445,062,847
As at June 30, 2023													
Cost	12,095,494	5,000,000	280,465,099	41,149,827	12,819,637	1,377,873,839	130,824,978	22,321,955	311,295	88,729,145	7,290,935	193,425	1,979,075,629
Accumulated depreciation (restated)	-	-	(74,524,386)	(35,249,127)	(8,015,983)	(326,821,621)	(39,190,161)	(12,586,645)	(311,295)	(32,252,081)	(4,868,058)	(193,425)	(534,012,782)
Net book value (restated)	12,095,494	5,000,000	205,940,713	5,900,700	4,803,654	1,051,052,218	91,634,817	9,735,310	-	56,477,064	2,422,877	-	1,445,062,847
Year ended June 30, 2024													
Opening net book value (restated)	**12,095,494**	**5,000,000**	**205,940,713**	**5,900,700**	**4,803,654**	**1,051,052,218**	**91,634,817**	**9,735,310**	**-**	**56,477,064**	**2,422,877**	**-**	**1,445,062,847**
Additions	**-**	**-**	**-**	**1,827,645**	**-**	**26,115,779**	**4,930,546**	**1,897,600**	**-**	**2,147,835**	**671,948**	**-**	**37,591,353**
transferred from CWIP	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals													
Cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,656,706)**	**-**	**-**	**(1,656,706)**
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**966,412**	**-**	**-**	**966,412**
Net book value	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(690,294)**	**-**	**-**	**(690,294)**
Depreciation for the year	**-**	**-**	**(7,732,607)**	**(3,019,732)**	**(25,291)**	**(45,295,284)**	**(9,246,648)**	**(1,652,610)**	**-**	**(13,479,055)**	**(962,398)**	**-**	**(81,413,625)**
Closing net book value	**12,095,494**	**5,000,000**	**198,208,106**	**4,708,613**	**4,778,363**	**1,031,872,713**	**87,318,715**	**9,980,300**	**-**	**44,455,550**	**2,132,427**	**-**	**1,400,550,281**
As at June 30, 2024													
Cost	**12,095,494**	**5,000,000**	**280,465,099**	**42,977,472**	**12,819,637**	**1,403,989,618**	**135,755,524**	**24,219,555**	**311,295**	**89,220,274**	**7,962,883**	**193,425**	**2,015,010,276**
Accumulated depreciation	**-**	**-**	**(82,256,993)**	**(38,268,859)**	**(8,041,274)**	**(372,116,905)**	**(48,436,809)**	**(14,239,255)**	**(311,295)**	**(44,764,724)**	**(5,830,456)**	**(193,425)**	**(614,459,995)**
Net book value	**12,095,494**	**5,000,000**	**198,208,106**	**4,708,613**	**4,778,363**	**1,031,872,713**	**87,318,715**	**9,980,300**	**-**	**44,455,550**	**2,132,427**	**-**	**1,400,550,281**
Annual rate of depreciation (restated)			**5%**	**10%**	**5%**	**5%**	**10%**	**10%**	**10%**	**20%**	**20%**	**10%**	
Residual Value in % (restated)			**35%**	**0%**	**35%**	**20%**	**0%**	**0%**	**0%**	**30%**	**0%**	**0%**	

4.1.1	Depreciation for the year has been allocated as under :	Note	**2024**	2023
			Rupees	
	Cost of sales- Manufacturing and service expense	*26*	**57,210,913**	51,915,717
	Cost of sales- Fuel and power	*26.4*	**7,053,248**	6,432,220
	Administration expenses	*27*	**12,311,042**	9,640,392
	Distribution cost	*28*	**4,838,422**	4,334,872
			81,413,625	72,323,201

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

4.2	Capital work in progress	**2024**	2023
		Rupees	
	Opening balance	**2,724,674**	22,099,091
	Additions during the year	**1,035,350**	12,060,727
		3,760,024	34,159,818
	Less: transfer to fixed assets	**-**	(31,435,144)
		3,760,024	2,724,674

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, 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
Movement during the year ended June 30, 2023			
Opening net book value	2,629,455	39,951,500	42,580,955
Additions during the year	38,598,030	18,369,745	56,967,775
Disposals			
- Cost	-	(31,961,200)	(31,961,200)
- Accumulated depreciation	-	11,985,450	11,985,450
	-	(19,975,750)	(19,975,750)
Depreciation for the year	(12,182,467)	(6,291,368)	(18,473,835)
Closing net book value	29,045,018	32,054,127	61,099,145
As at June 30, 2023			
Cost	72,780,930	50,330,945	123,111,875
Accumulated depreciation	(43,735,912)	(18,276,818)	(62,012,730)
	29,045,018	32,054,127	61,099,145
Movement during the year ended June 30, 2024			
Opening net book value	**29,045,018**	**32,054,127**	**61,099,145**
Depreciation for the year	**(12,737,350)**	**(6,291,368)**	**(19,028,718)**
Closing net book value	**16,307,668**	**25,762,759**	**42,070,427**
As at June 30, 2024			
Cost	**72,780,930**	**50,330,945**	**123,111,875**
Accumulated depreciation	**(56,473,262)**	**(24,568,186)**	**(81,041,448)**
	16,307,668	**25,762,759**	**42,070,427**
Depreciation rate (per annum)	**33.33%**	**12.50%**	

5.1 The terms and conditions of the lease contracts entered into for the aforementioned premises are as follows:

Particulars	Survey No.53 and 55, Kemari Town, Karachi	33-D-2, Block-6, Shahra-e-Faisal, Karachi
Lessor name	Directors and joint owners	Mrs. Sabiha Younus and Mrs. Afshan Irfan
Lease agreement date	01-Jul-22	01-Jul-22
Lease commencement date	01-Oct-22	01-Jul-22
Initial contracted term of the lease	3 years	11 Months
Availability of extension option	Yes	Yes
Assessed lease term	3 years	5 years

5.2 Depreciation for the year has been allocated as under :

	Note	2024	2023
		Rupees	
Manufacturing and service expense	26	**12,737,350**	12,182,467
Administration expenses	27	**6,291,368**	6,291,368
		19,028,718	18,473,835

6. LONG TERM DEPOSITS AND PREPAYMENTS

	Note	2024	2023
Long term security deposits with:			
- Utility companies	43.1	**13,700,551**	13,700,551
- Central Depository Company (CDC)		**12,500**	12,500
- Other		**100,000**	100,000
		13,813,051	13,813,051
Long term prepayments		**40,000**	40,000
		13,853,051	13,853,051

7. DEFERRED TAXATION- net

	---2024---			
	Balance at beginning of the year (Restated)	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance at end of the year**
	--- (Rupees) ---			
Deferred tax liability arising from:				
- Accelerated depreciation allowance	**185,789,139**	**9,112,336**	**-**	**194,901,475**
- Islamic Temporary Economic Refinance Facility	**19,081,601**	**(2,939,944)**	**-**	**16,141,657**
	204,870,740	**6,172,392**	**-**	**211,043,132**
Deferred tax assets arising from:				
- Unused tax losses	**(87,318,567)**	**(29,985,433)**	**-**	**(117,304,000)**
- Minimum tax	**(50,342,560)**	**(38,936,476)**	**-**	**(89,279,036)**
- Provision for staff retirement benefits	**(21,773,316)**	**(5,608,726)**	**5,743,510**	**(21,638,532)**
- Provision for slow moving items	**-**	**(190,775)**	**-**	**(190,775)**
- Gas infrastructure cess liability	**(16,818,191)**	**(2,897,283)**	**-**	**(19,715,474)**
- Allowance for expected credit losses	**(1,893,594)**	**(208,457)**	**-**	**(2,102,051)**
- Lease liability - net	**(10,765,506)**	**(7,723,115)**	**-**	**(18,488,621)**
- Deferred government grant	**(17,758,890)**	**4,934,382**	**-**	**(12,824,508)**
- Re-financing Scheme for salaries and wages	**(94,820)**	**-**	**-**	**(94,820)**
	(206,765,444)	**(80,615,883)**	**5,743,510**	**(281,637,817)**
	(1,894,704)	**(74,443,491)**	**5,743,510**	**(70,594,685)**

	2023			
	Balance at beginning of the year (Restated)	Recognized in profit or loss (Restated)	Recognized in other comprehensive income	Balance at end of the year (Restated)
	(Rupees)			
Deferred tax liability arising from:				
- Accelerated depreciation allowance	150,266,090	35,523,049	-	185,789,139
- Islamic Temporary Economic Refinance Facility	7,291,455	11,790,146	-	19,081,601
	157,557,545	47,313,195	-	204,870,740
Deferred tax assets arising from:				
- Unused tax losses	-	(87,318,567)	-	(87,318,567)
- Minimum tax	(14,010,156)	(36,332,404)	-	(50,342,560)
- Provision for staff retirement benefits	(15,113,656)	(3,872,583)	(2,787,077)	(21,773,316)
- Gas infrastructure cess liability	(14,346,678)	(2,471,513)	-	(16,818,191)
- Allowance for expected credit losses	(619,635)	(1,273,959)	-	(1,893,594)
- Lease liability - net	(26,874,438)	16,108,932	-	(10,765,506)
- Deferred government grant	(7,811,847)	(9,947,043)	-	(17,758,890)
- Re-financing Scheme for salaries and wages	(81,810)	(13,010)	-	(94,820)
	(78,858,220)	(125,120,147)	(2,787,077)	(206,765,444)
	78,699,325	(77,806,952)	(2,787,077)	(1,894,704)

8. STOCK-IN-TRADE

	Note	2024	2023
		Rupees	
Raw material			
- In hand		**66,763,052**	71,643,528
- In transit		**60,151,481**	30,811,348
		126,914,533	102,454,876
Work in process		**27,929,539**	35,348,344
Finished goods		**108,592,869**	186,853,722
Waste materials		**4,433,200**	991,825
Packing materials		**10,387,464**	8,127,233
		278,257,605	333,776,000

9. TRADE DEBTS

	Note	2024	2023
Receivables against sale of goods		**475,688,381**	560,350,429
Receivables against rendering of cold storage services		**118,232,312**	101,385,156
Receivables against distribution of petroleum products		**89,276,918**	126,140,530
		683,197,611	787,876,115
Less: provision for expected credit losses	*9.1*	**(7,248,451)**	(6,529,636)
		675,949,160	781,346,479

9.1 Movement in provision for expected credit losses

	2024	2023
Balance at the beginning of the year	**6,529,636**	4,829,636
Further charge recognized during the year	**718,815**	1,700,000
Balance at the end of the year	**7,248,451**	6,529,636

10. LOANS AND ADVANCES

	Note	2024 Rupees	2023 Rupees
Loans to employees	*10.1*	**4,363,675**	4,769,066
Advances			
- to contractors		**600,000**	175,000
- to suppliers		**39,454,397**	15,157,256
- to staff		**86,461**	161,161
		40,140,858	15,493,417
		44,504,533	20,262,483

10.1 These represent interest-free loans provided to employees in accordance with the Group's policy. The loans are repayable within one year and are recovered through deduction from salaries. These loans are secured against staff gratuity balances.

11. DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2024 Rupees	2023 Rupees
Deposits			
Sui Southern Gas Company Limited		**130,413,213**	-
Other Deposits		**572,132**	558,010
		130,985,345	558,010
Prepayments		**2,722,921**	3,811,580
		133,708,266	4,369,590

12. SHORT TERM INVESTMENT

	Note	2024 Rupees	2023 Rupees
Investment in Habib Islamic Investment Certificate	*12.1*	**16,630,555**	16,630,555
Investment in units of mutual funds	*12.2*	**3,204,875**	2,678,127
		19,835,430	19,308,682

12.1 This represents an investment made by the Group in Habib Metro Islamic Investment Certificate which carries profit ranging from 17% to 18% p.a.(2023: 9.50% to 12.60%)

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

2024	2023	Fund name	2024 Cost	2024 Fair value	2023 Cost	2023 Fair value
-- (Number of units) --			Rupees			
4,122	3,465	Faysal Islamic Cash Fund	**302,766**	**412,177**	302,766	346,487
27,526	23,232	Al Habib Islamic Saving Funds	**2,063,203**	**2,792,698**	2,063,203	2,331,640
31,648	26,697		**2,365,969**	**3,204,875**	2,365,969	2,678,127

13. OTHER RECEIVABLES

	Note	2024 Rupees	2023 Rupees
Receivable from:			
Lasbela Industrial Estate Development Authority	*13.1*	**33,196,021**	33,196,111
Lasbela Chamber of Commerce		**1,000,000**	-
Other parties		**3,621,586**	32,099,703
		37,817,607	65,295,814

13.1 The Group Company's mill, located in Tehsil Hub, District Lasbela, Baluchistan, operates under a zero-rated status, which entitles it to subsidized electricity rates. From January 2019 to March 2023, the Lasbela Industrial Estate Development Authority (LIEDA) has billed the Group Company for electricity consumption at standard rates applicable to regular consumers, rather than the subsidized rates applicable to zero-rated entities.

Although the Group Company has paid the electricity bills in full as invoiced by LIEDA, it has recorded the expense in its financial statements at the subsidized rates it is entitled to under its zero-rated status. The excess amount, representing the difference between the standard rates billed and the subsidized rates, has been recorded as a receivable from LIEDA.

14. CASH AND BANK BALANCES

	Note	**2024**	2023
		Rupees	
Cash in hand		**6,763,774**	10,336,635
Cash at bank - Islamic bank			
- Balance held in current accounts		**18,170,521**	43,004,940
- Balance held in savings accounts	*14.1*	**10,350,855**	12,740,867
- Term Deposit Receipt (TDR)		**1,500,000**	10,114,137
		30,021,376	65,859,944
		36,785,150	76,196,579

14.1 These carry profit at the rates ranging between 15% to 20% (2023: 6.5% to 12.5%) per annum.

15. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		**2024**	2023
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
13,558,750	13,558,750	- as bonus shares	**135,587,500**	135,587,500
19,965,000	19,965,000		**199,650,000**	199,650,000

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

16. LEASE LIABILITY

	Note	**2024**	2023
		Rupees	
Opening balance		**81,168,778**	74,146,557
Recognized during the year		**-**	56,967,775
Terminated during the year		**-**	(33,955,464)
Payments made during the year		**(19,812,173)**	(26,948,018)
Finance charges	*31*	**9,013,482**	10,957,928
		70,370,087	81,168,778
Less: Current portion shown under current liabilities		**(36,778,788)**	(24,366,149)
		33,591,299	56,802,629

17. LONG TERM FINANCING

	Note	**2024**	2023
Diminishing musharaka	*17.1*	**86,391,202**	118,924,510
Islamic Auto Finance		**-**	270,781
Islamic Temporary Economic Refinance Facility (ITERF)	*17.2*	**113,558,197**	143,854,735
		199,949,399	263,050,026

17.1 Long term Musharaka under shariah arrangement

	Note	**2024**	2023
- Habib Metropolitan Bank Limited		**-**	2,474,822
- Bank Al-Habib Limited	*17.1.1*	**70,597,192**	91,178,919
- First Habib modaraba		**1,594,249**	2,650,500
- Dubai islami Bank	*17.1.2*	**47,547,175**	60,000,000
		119,738,616	156,304,241
Less: Current maturity shown under current liabilities		**(33,347,414)**	(37,379,731)
		86,391,202	118,924,510

17.2 Financing under Islamic Temporary Economic Refinance Facility (ITERF)

	Note	2024	2023
		Rupees	
Opening balance		**184,528,021**	93,998,330
Loan proceeds received from the Bank Al Habib Ltd		-	28,712,000
Loan proceeds received from the Dubai Islamic Bank Ltd		-	106,744,240
Loan obtained during the year		-	135,456,240
Element of government grant recognized as deferred income	*18.1*	-	(51,269,557)
		184,528,021	178,185,013
Payments made during the year		**(40,766,055)**	(14,139,187)
Interest accrued during the year	*31*	**17,201,447**	20,482,195
		160,963,413	184,528,021
Current portion shown under current liabilities	*23*	**(47,405,216)**	(40,673,286)
		113,558,197	143,854,735

17.2.1 The Group has obtained a long-term financing facility from M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Group under the Scheme amounted to Rs. 89.892 million (2023: Rs. 100 million) and the drawn down amount is Rs. 81.559 million (2023: Rs. 97.029 million).

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

(a) The applicable markup rate is 5% per annum (2023: 5%);

(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);

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

(d) The arrangement is secured against the following:

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

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

17.2.2 The Group has obtained a long-term financing facility from M/s. Dubai Islamic Bank Limited (DIBL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Group under the Scheme amounted to Rs. 150 million (2023: Rs. 150 million) and the drawn down amount is Rs. 134.738 million (2023: Rs. 146.395 million).

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

(a) The applicable markup rate is 5% per annum (2023: 5%);

(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 machineries of the group.

17.2.3 Since the facilities carry 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).

18.	**DEFERRED LIABILITIES**	*Note*	**2024**	2023
			Rupees	
	Deferred government grant	*18.1*	**29,962,855**	44,349,949
	Staff retirement benefits - defined benefit plan (gratuity)	*18.2*	**74,615,627**	75,080,401
	Provision for Gas infrastructure Development Cess	*18.3*	**48,201,073**	57,993,763
			152,779,555	177,424,113

18.1 Deferred government grant

Opening balance		**61,237,553**	22,339,563
Add: Element of government grant recorded during the year	*17.2*	**-**	51,269,557
Less: Amortization of government grant during the year		**(17,015,113)**	(12,371,567)
		44,222,440	61,237,553
Current maturity shown under current liabilities		**(14,259,585)**	(16,887,604)
		29,962,855	44,349,949

18.2 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 Sindh 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, 2024 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	**2024**	2023
		Rupees	
Present value of the defined benefit obligation	*18.2.1*	**132,200,694**	125,805,727
Fair value of the plan assets	*18.2.2*	**(57,585,067)**	(50,725,326)
		74,615,627	75,080,401

18.2.1 Movement in defined benefit obligation

Opening defined benefit obligation	**125,805,728**	99,103,894
Current service cost	**11,464,867**	9,240,458
Interest cost	**19,661,034**	12,934,078
Benefits paid by the fund	**(9,629,493)**	(2,954,001)
Remeasurement loss on obligation	**(15,101,442)**	7,481,298
Closing defined benefit obligation	**132,200,694**	125,805,727

		2024	2023
18.2.2	**Movement in the fair value of plan assets**	Rupees	
	Balance at beginning of the year	**50,725,326**	46,987,838
	Expected return on plan assets	**7,785,469**	6,420,803
	Contribution	**4,000,000**	2,400,000
	Benefits paid by the fund	**(9,629,493)**	(2,954,001)
	Remeasurement loss on plan assets	**4,703,765**	(2,129,314)
	Balance at end of the year	**57,585,067**	50,725,326
18.2.3	**Expense recognized in the statement of profit or loss**		
	Current service cost	**11,464,868**	9,240,458
	Net interest expense	**11,875,565**	6,513,275
		23,340,433	15,753,733
	Allocation of expense		
	- Cost of sales	**9,336,173**	6,301,493
	- Administrative expenses	**12,137,025**	8,191,941
	- Distribution cost	**1,867,235**	1,260,299
		23,340,433	15,753,733
18.2.4	**Remeasurement recognised in other comprehensive income**		
	Remeasurement of the present value of defined benefit obligation		
	- Financial assumptions	**(6,923,299)**	(3,946,846)
	- Demographic assumptions	**900,488**	-
	- Experience adjustments	**(9,078,631)**	11,428,144
		(15,101,442)	7,481,298
	Remeasurement of the fair value of plan assets		
	- Financial assumptions	**(4,703,765)**	2,129,314
		(19,805,207)	9,610,612

18.2.5 Sensitivity analysis

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

	Impact on defined benefit obligation		
June 30, 2024	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	
Discount rate	**1%**	**127,825,456**	**137,069,998**
Expected rate of salary increase	**1%**	**137,675,519**	**127,179,975**
Mortality age	**1 year**	**125,805,727**	**125,805,727**
Withdrawal rates	**10%**	**132,200,694**	**132,200,694**

	Impact on defined benefit obligation		
June 30, 2023	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	
Discount rate	1%	119,292,091	133,354,087
Expected rate of salary increase	1%	133,908,098	118,679,288
Mortality age	1 year	125,805,727	125,805,727
Withdrawal rates	10%	125,805,727	125,805,727

		2024	2023
18.2.6	**Principal assumptions used**		
	Withdrawal Rates	**High**	High
	Mortality rates	**SLIC 2001-2005**	SLIC 2001-2005
	Expected rate of increase in future salary (per annum)	**14.75%**	16.25%
	Discount rate - per annum	**14.75%**	16.25%
	Expected rate of return on plan assets	**14.75%**	16.25%
	Normal retirement age	**60 years**	60 years

		2024	2023
18.2.7	**Composition of plan assets**	Rupees	
	Equity securities and units of mutual funds	**55,532,583**	48,672,942
	Bank balances	**857,104**	857,004
	Investment Certificate	**1,195,380**	1,195,380
		57,585,067	50,725,326

18.3 Provision for Gas Infrastructure Development Cess

In December 2011, the federal government, for the first time, imposed the levy of GIDC (the cess) through the promulgation of gas infrastructure development cess Act, 2011 (GIDC Act, 2011), which subsequently, was widely challenged on several legal grounds. In June 2013, the high court of Peshawar, passed judgement whereby it struck down the GIDC Act , 2011 declaring the said law as unconstitutional. Subsequent to the decision , the GIDC Ordinance 2014 was promulgated which expired in May 2015. In the same month, the Supreme Court of Pakistan upheld the said judgement. Following the judgement of Apex court, the GIDC ordinance ,2014 received presidential assent after having been passed by both the houses of parliament as GIDC Act, 2015. The GIDC Act,2015, provided for retrospective levy of cess for the period from January 2011 to May 2015.(as imposed under the struck down GIDC Act, 2011 and GIDC Ordinance, 2014) with different cess rates prescribed for each sector.

The Holding Company along with several other petitioners filed review petitions before the Supreme Court of Pakistan challenging the applicability of the GIDC on the Company including the amount to be recovered including its retrospective application from the year 2011. The Supreme Court was pleased to clarify that the question as to the retrospective applicability of GIDC from 2011 to 2015 would remain open to be decided by the High Courts.

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 July 2020, Sui Southern Gas Company vide its gas bill charged an amount of Rs. 156.5 million against GIDC. The Company has recognized a provision based on the units consumed at applicable rates amounting to Rs. 95 million (2023: 95 million) and remaining amount of Rs. 61.5 million (2023: 61.5 million) has not been acknowledged as debt.(refer note 24.1.1).

	2024	2023
	Rupees	
Opening balance	**57,993,763**	49,471,304
Interest on unwinding of the provision	**9,990,630**	8,522,459
	67,984,393	57,993,763
Less: Current maturity shown under current liabilities	**(19,783,320)**	-
	48,201,073	57,993,763

19.	SHORT TERM BORROWINGS	Note	2024	2023
			Rupees	
	Istisna financing			
	- Habib Metropolitan Bank Limited	*19.1*	**299,760,773**	141,227,933
	- Habib Bank Limited	*19.2*	**199,889,169**	199,680,457
	- Bank Al Habib Limited	*19.3*	**42,252,687**	16,808,253
			541,902,629	357,716,643
	Murabaha financing			
	Habib Metropolitan Bank Limited		**-**	157,892,945
	Bank Al Habib Limited	*19.4 & 19.5*	**157,078,026**	183,176,938
			157,078,026	341,069,883
	Wakala financing			
	Dubai Islamic Bank	*19.6*	**189,960,056**	229,839,751
			888,940,711	928,626,277

19.1 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 (2023:Rs. 300 million) as a sub-limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (2023: 6 months KIBOR + 3%). The maximum tenor of the Istisna Financing is 150 days.

The arrangement is secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to Rs. 550 million with 30 % margin (2023: Rs. 550 million with the 30% margin);
- 1st charge registered over stocks / receivables amounting to Rs. 400 million (2023: Rs. 400 million) with a 25% margin; and
- Personal guarantees of directors of holding company and corporate guarantee of M/s Sana Logistics (private) Limited and M/s Sana Distributors (private) Limited.

19.2 Short term Istisna Financing was obtained by the Holding Company under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 200 million (2023: Rs. 200 million) . The mark-up rate on the financing is 6 months KIBOR + 1.5% per annum (2023 : 6 months KIBOR + 1.5% per annum) . 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. 267 million with the 40% margin (2023 : Rs. 267 million with the 40% margin);
- 1st charge registered over stocks / receivables amounting to Rs. 267 million with a 25% margin; and

19.3 Short term Istisna Financing was obtained by the Holding Company under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 50 million (2023 : Rs. 50 million). The mark-up rate on the financing is 6 months KIBOR + 1.75% per annum (2023: 6 months KIBOR + 1.75% per annum). The maximum tenor of the Istisna Financing is 120 days.

The arrangement is secured against the following:

- Equitable mortgage charge registered over land, building and plant and machinery amounting to Rs. 551 million;
- pari passu charge registered over stocks / receivables amounting to Rs. 167 million with a 25% margin; and

19.4 Short term murabaha has been obtained by the Holding Company, under shariah arrangement, to facilitate the import of raw material and other related items. The bank has approved a facility of Rs. 125 million (2023: Rs. 125 million). The markup rate on murabaha facility is average KIBOR + 1.75% (2023: 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 (2023: Rs. 167 million with a 25% margin);

- Equitable mortgage over land, building and plant and machinery amounting to Rs. 551.4 million (2023: Rs 551.4 million) over survey 54 , located at Kemari Town and;

19.5 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 (2023: Rs. 75 million). The mark-up rate on the financing is 6 months average KIBOR + 1.75% (2023: 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.

- Equitable mortgage charge of Rs. of Rs.551 Million over survey No.54 Located at Deh Gondpass, situated at Tapo Gabopat, Kemari Town, Karachi; and

19.6 Short term wakala financing has been obtained by the Holding Company under shariah arrangement for the purchase of raw material. The bank has approved the facility of Rs. 190 million (2023:Rs. 190 million). The markup rate on the facility is matching KIBOR + 1.75% per annum (2023: matching KIBOR + 1.75% per annum). The maximum tenor is 180 days.

The arrangement is secured against the following:

- First pari passu charge over current asset of the company with 25% margin amounting to Rs. 307 million.

- Corporate guarantee of M/s Sana Logistics (Private) Limited and M/s Sana Distributors (Private) Limited.

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

19.7 As at June 30, 2024, the Group had unavailed short term financing facilities amounting to Rs. 604,000 (2023: Rs. 11.5 million).

20. TRADE AND OTHER PAYABLES

	Note	**2024**	2023
		Rupees	
Creditors		**218,059,916**	189,393,612
Advance from customer		**88,984,643**	123,821,855
Accrued expenses		**132,719,655**	32,662,222
Provision for gas tariff difference	*20.1*	**51,505,591**	79,017,042
Workers' Profits Participation Fund		**12,355,992**	12,355,992
Workers' Welfare Fund		**3,596,811**	3,596,811
Sales tax payable		**28,113,470**	22,368,467
Income tax payable		**12,929,136**	5,527,413
Provident Fund payable		**11,192,329**	11,142,291
Others		**7,789,996**	12,725,828
		567,247,539	492,611,533

		Note	2024	2023
			Rupees	
20.1	**Provision for gas tariff difference**			
	Provision under Suit 129 of 2017	*20.1.1*	**51,505,591**	51,505,591
	Provision under Suit 1790 of 2020 & 1798 of 2020	*20.1.2*	**-**	27,511,451
			51,505,591	79,017,042

20.1.1 On December 30, 2016, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. (1)/2016 whereby, with effect from December 15, 2016, 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 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, 2024, amounted to Rs. 51.505 million (2023: Rs. 51.505 million).

On September 06, 2024, the Sindh High Court passed a judgment whereby the impugned notification was declared as void ab anitio. However, the provision has not been reversed as the said judgement has been suspended for the period of thirty days as mentioned in the said order and it is probable that the defendants may file appeal against the said judgement before the Apex Court.

20.1.2 On October 23, 2020, the OGRA issued S.R.O. No. 1107(I)/2020 whereby, with effect from September 01, 2020, the sale price of natural gas for the aforesaid class of gas consumers was increased to Rs. 819 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 & Suit No. 1798 of 2020) before the Court. In its interim order dated May 25, 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. 33 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court.

On February 18, 2023, the Court announced its final verdict in Suit No. 1790 of 2020 and Suit No. 1798 of 2020 (and several other connected suits on similar matters) upholding the validity of the aforesaid notification (i.e. S.R.O. 1107(I)/2020 dated October 23, 2020 issued by the OGRA). The said decision also discussed, at length, the issue of incremental tariff chargeable to gas consumers falling under the category 'Captive Power' and made it explicit that that the Holding Company would fall into such category of gas consumers and, thus, would be subjected to the incremental tariff of Rs. 852 per MMBTU as specified in the S.R.O. 1107(I)/2020.

During the year ended June 30, 2024, the Holding Company paid an amount of Rs. 27.5 million to Sui Southern Gas Company (along with monthly gas bills) in respect of the said provision.

		2023	2022
		Rupees	
21.	**ACCRUED MARKUP**		
	Short term borrowings	**41,792,404**	52,575,516
	Long term financing - Diminishing Musharaka	**1,703,401**	5,261,709
		43,495,805	57,837,225

		2023	2022
22.	**LOANS FROM DIRECTORS AND ASSOCIATES**	Rupees	
	From directors of holding company and sponsors :		
	Unsecured		
	Loan from directors'	**19,500,000**	5,100,000
	From directors of subsidiary Companies and their spouses :		
	Unsecured		
	Loan from directors'	**69,304,960**	28,115,000
	Loan from spouses of directors	**25,400,000**	27,650,000
		94,704,960	55,765,000
		114,204,960	60,865,000

22.1 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.

		Note	2024	2023
			Rupees	
23.	**CURRENT MATURITY OF LONG TERM FINANCING**			
	Current maturity of diminishing musharaka		**33,347,414**	37,379,731
	Current maturity of Islamic Auto finance		**-**	893,754
	Current maturity of ITERF	*17.2*	**47,405,216**	40,673,286
			80,752,630	78,946,771

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 As explained in note 18.3, Group has not recognized the additional amount of cess in respect of GIDC amounting to Rs. 61.5 million (being the difference of Rs. 95 million recognized in books and Rs. 156.5 million as notified to the Group through monthly gas bills upto July 2020).

24.1.2 During the year, the sale price of natural gas for "export oriented power" was increased by OGRA from Rs. 1,100 per MMBTU to Rs. 2,400 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated November 08, 2023. The said notification was challenged by the several petitioners in Sindh High Court (SHC) on constitution and factual grounds . The Sindh High Court passed interim order, dated December 18, 2023, suspending the said notification subject to the condition that the petitioners (i.e. the gas consumers) shall deposit the differential amount of Rs. 1,300 per MMBTU in cash with the Nazir of the Court in seven days and in case of failure of payment on two consecutive months, interim order shall be deemed as recalled in respect of the Holding Company. The Holding Company joined the case on February 13, 2024 to benefit from the said injunction.

Subsequently, sale price of natural gas was further increased by OGRA from Rs. 2,400 per MMBTU to Rs. 2,750 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated February 15, 2024. The said notification was also challenged by the Holding Company in Sindh High Court (SHC) on constitution and factual grounds . The Sindh High Court passed another interim order, dated May 6, 2024, suspending the said notification subject to the condition that the petitioner (i.e. the gas consumer) shall continue to deposit the differential amount of Rs. 1,650 per MMBTU in cash with the Nazir of the Court in seven days and in case of failure of payment on two consecutive months, interim order shall be deemed as recalled in respect of the Holding Company. The Holding Company has paid the full amount of the gas bills from the month of November as per above said new notifications of OGRA and based on the suspension of these notifications in interim orders of the Sindh High Court, the Holding Company has not recorded provision for gas in its cost to the extent of Rs. 130.4 million.

The Holding company has paid an excess amount of Rs. 96.1 million to SSGC against the bills of November 2023 to June 2024 up to the reporting date.

		2024	2023
24.2	**Commitments**	Rupees	
	In respect of:		
	- Irrevocable letters of credit issued for purchase of raw material and plant & equipment.	**58,240,067**	114,659,718
	- Revolving letter of guarantee issued by commercial banks in favour of Sui Southern Gas Company Limited	**33,420,771**	33,420,771

25. REVENUE - NET

	Year ended June 30, 2024			
	Textile	**Cold Storage and Related Services**	**Distribution of Products**	**Total**
	Rupees			
Sales during the year:				
- Sale of goods	**4,480,716,456**	**-**	**1,709,523,343**	**6,190,239,799**
- Services rendered	**-**	**384,210,760**	**-**	**384,210,760**
- Wastage sales	**17,774,260**	**-**	**-**	**17,774,260**
	4,498,490,716	**384,210,760**	**1,709,523,343**	**6,592,224,819**
- Commission and discounts	**(3,373,534)**	**-**	**(84,994,173)**	**(88,367,707)**
- Sales tax	**(690,927,785)**	**(45,513,528)**	**(203,288,674)**	**(939,729,987)**
	(694,301,319)	**(45,513,528)**	**(288,282,847)**	**(1,028,097,694)**
Revenue - net	**3,804,189,397**	**338,697,232**	**1,421,240,496**	**5,564,127,125**

	Year ended June 30, 2023			
	Textile	Cold Storage and Related Services	Distribution of Products	Total
	Rupees			
Sales during the year:				
- Sale of goods	3,392,184,892	-	1,428,491,899	4,820,676,791
- Services rendered	-	347,310,094	-	347,310,094
- Wastage sales	9,449,793	-	-	9,449,793
	3,401,634,685	347,310,094	1,428,491,899	5,177,436,678
- Commission and discounts	(4,636,146)	-	(89,949,838)	(94,585,984)
- Sales tax	(511,397,942)	(41,021,088)	(224,093,775)	(776,512,805)
	(516,034,088)	(41,021,088)	(314,043,613)	(871,098,789)
Revenue - net	2,885,600,597	306,289,006	1,114,448,286	4,306,337,889

			2024	(Restated) 2023
26.	**COST OF SALES AND SERVICES**	*Note*	Rupees	
	Raw and packing materials consumed	*26.1*	**2,328,009,874**	1,961,858,192
	Cost of finished goods sold	*26.2*	**1,325,953,127**	1,045,121,991
	Manufacturing and services expenses			
	Stores and spares consumed		**79,225,925**	85,373,705
	Salaries, wages and benefits	*26.3*	**479,899,210**	420,293,122
	Packing and forwarding	*43.1*	**4,968,315**	3,385,080
	Fuel and power	*26.4*	**644,457,611**	363,053,523
	Services procured		**10,977,063**	6,294,099
	Repairs and maintenance		**42,592,259**	23,240,897
	Vehicle repairs and maintenance		**8,532,160**	8,801,265
	Insurance		**6,710,976**	5,603,681
	Rent, rates and taxes		**4,192,450**	250,000
	Depreciation on operating fixed assets	*4.1.1*	**57,210,913**	51,915,717
	Depreciation on right-of-use assets	*5.2*	**12,737,350**	12,182,467
	Security		**10,756,394**	8,826,026
	Loading and unloading expenses		**6,492,757**	6,656,544
	Entertainment expenses		**1,777,370**	1,559,561
	Printing and stationary expense		**1,819,424**	921,930
	Transportation and conveyance		**14,559,858**	3,120,464
	Uniform expense		**758,970**	545,680
	Communication expense		**1,349,777**	791,987
	Miscellaneous expense		**-**	3,163,772
	Water expenses		**9,642,393**	7,783,876
	Other manufacturing overheads		**4,315,792**	4,461,897
			1,402,976,967	1,018,225,293
	Work-in-process - opening stock		**35,348,344**	27,994,064
	Work-in-process - closing stock		**(27,929,539)**	(35,348,344)
			7,418,805	(7,354,280)
	Cost of goods manufactured		**5,064,358,773**	4,017,851,196
	Finished goods - opening stock		**143,434,226**	173,477,436
	Waste material- opening stock		**991,825**	344,425
	Finished goods - closing stock		**(87,065,991)**	(143,434,226)
	Waste material- closing stock		**(4,433,200)**	(991,825)
			52,926,860	29,395,810
			5,117,285,633	4,047,247,006

26.1	**Raw and packing materials consumed**		
	Opening stock	**79,770,761**	127,830,818
	Add: Purchases during the period	**2,325,389,629**	1,913,798,135
		2,405,160,390	2,041,628,953
	Less : Closing stock	**(77,150,516)**	(79,770,761)
		2,328,009,874	1,961,858,192
26.2	**Cost of finished goods sold**		
	Opening stock	**43,419,496**	55,969,108
	Goods purchased during the year	**1,304,060,509**	1,032,572,379
	Goods available for sale	**1,347,480,005**	1,088,541,487
	Closing stock	**(21,526,878)**	(43,419,496)
	Cost of finished goods sold	**1,325,953,127**	1,045,121,991

26.3 This includes an amount of Rs. 14.536 million (2023: Rs. 6.301 million) in respect of staff retirement benefits.

		Note	2024	(Restated) 2023
			Rupees	
26.4	**Fuel and power**			
	Generation cost			
	Gas expenses		**387,843,036**	177,951,756
	Electricity		**209,571,967**	136,450,518
	Generator operation and maintenance		**36,862,036**	40,088,081
	Repairs and maintenance		**2,279,820**	1,427,197
	Depreciation on operating fixed assets	*4.1.1*	**7,053,248**	6,432,220
	Insurance		**564,090**	455,917
	Electricity duty		**283,414**	247,834
			644,457,611	363,053,523

27.	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	*27.1*	**30,921,484**	29,648,210
	Directors' remuneration	*27.2*	**64,367,000**	63,390,388
	Meeting fee		**260,000**	300,000
	Printing and stationery		**1,156,680**	1,191,711
	Legal and professional charges		**4,872,392**	5,232,895
	Fees and subscription		**3,910,747**	3,998,014
	Communication		**609,758**	698,611
	Travelling and conveyance		**324,602**	1,926,734
	Repairs and maintenance		**6,965,686**	6,885,004
	Fuel expenses		**3,280,096**	1,082,389
	Rent, rates and taxes		**2,580,000**	2,400,000
	Entertainment expense		**465,839**	1,589,906
	Depreciation on operating fixed assets	*4.1.1*	**12,311,042**	9,640,392
	Depreciation on right-of-use assets	*5.2*	**6,291,368**	6,291,368
	Amortization		**190,600**	182,213
	Security expenses		**344,753**	359,661
	Water, electricity and gas		**5,104,914**	3,408,519
	Insurance		**2,036,300**	1,564,933
	Donation		**-**	1,000,000
	Auditors' remuneration	*27.3*	**2,451,500**	2,258,363
	Miscellaneous		**5,306,284**	5,002,499
			153,751,045	148,051,810

27.1 This includes an amount of Rs. 9.261 million (2023: Rs. 6.5 million) in respect of staff retirement benefits.

27.2 This includes an amount of Rs. 2.876 million (2023: Rs. 1.64 million) in respect of staff retirement benefits.

		2024	2023
		Rupees	
27.3	**Auditors' remuneration**		
	Audit fee (Including consolidation)	**2,000,100**	1,916,363
	Half yearly review fee	**290,400**	242,000
	Statutory certifications	**77,000**	50,000
	Out of Pocket Expenses	**84,000**	50,000
		2,451,500	2,258,363

	Note	2024	(Restated) 2023
		Rupees	
28. DISTRIBUTION EXPENSES			
Salaries, wages and benefits	*28.1*	**57,300,654**	40,451,006
Packing and forwarding expenses	*43.1*	**32,070,343**	15,135,496
Fuel expense		**12,000**	934,872
Depreciation on property, plant and equipment	*4.1.1*	**4,838,422**	4,334,872
Security expense		**397,056**	540,000
repairs and maintenance		**2,821,240**	649,176
insurance expense		**1,172,835**	1,102,120
rents, rates and taxes		**4,215,696**	2,811,078
Advertisement expense		**-**	10,000
Communication		**1,134,655**	578,152
Marketing & advertisement		**287,836**	4,188,614
Transportation expense		**9,057,523**	9,947,113
Sales promotion expenses		**555,980**	974,090
Utilities		**504,201**	-
Entertainment		**383,858**	-
Miscellaneous expense		**491,742**	233,725
		115,244,041	81,890,314

28.1 This includes an amount of Rs. 1.867 million (2023: Rs. 1.260 million) in respect of staff retirement benefits.

	2024	2023
	Rupees	
29. OTHER OPERATING EXPENSES		
Increase in provision for expected credit losses	**718,815**	1,700,000
Provision against slow moving items	**498,035**	159,810
	1,216,850	1,859,810

	2024	(Restated) 2023
	Rupees	
30. OTHER INCOME		
Return on deposits - Islamic bank	**1,961,896**	2,011,301
Profit on Habib Islamic Investment Certificate	**301,783**	170,983
Profit on PLS account	**667,389**	375,621
Profit on term deposit	**2,164,322**	1,905,237
Gain / (loss) on disposal of fixed assets	**1,709,707**	(8,840,712)
Unrealized gain on short-term investments	**526,748**	312,157
Income relating to receivable from LIEDA	**-**	19,671,881
Gain on remeasurement of lease liability	**-**	13,979,714
Others	**2,038,389**	1,866,255
	9,370,234	31,452,437

			2024	2023
31.	**FINANCE COSTS**	*Note*	Rupees	
	Markup and interest charges on:			
	- Long term finances		**33,378,845**	23,678,173
	- Short term borrowings		**216,727,029**	166,501,961
	- Markup on lease liability	*16*	**9,013,482**	10,957,928
	- SBP re-financing facilities for payment of salaries & wages		**-**	544,253
	- Financing under ITERF facility	*17.2*	**17,201,447**	20,482,195
	Amortization of deferred government grant		**(17,015,113)**	(12,371,569)
	Bank charges		**736,202**	620,916
	Finance charges on WPPF		**-**	1,807,400
	Documentation charges		**80,911**	130,227
	Unwinding of GIDC liability	*0.0*	**9,990,630**	8,522,459
	Guarantee commission		**1,307,492**	1,452,829
	Local letter of credit charges		**37,852**	14,309
	Other Charges		**361,816**	-
			271,820,593	222,341,081

		2024	(Restated) 2023
32.	**LEVIES**	Rupees	
	Minimum tax under normal tax regime	**61,589,750**	39,118,525

33.	**TAXATION**		
	Current		
	- for the year	**5,112,084**	12,170,912
	- for prior year	**1,190,133**	(6,227,965)
		6,302,217	5,942,947
	Deferred	**(74,443,491)**	(77,806,952)
		(68,141,274)	(71,864,005)

33.1 The income tax assessments of the Group have been finalized up to, and including, the tax year 2023. 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 Group for the purpose of re-assessment.

		2024	(Restated) 2023
34.	**LOSS PER SHARE**	Rupees	
	Basic loss per share		
	Loss attributable to shareholders of the Holding Company	**(83,225,988)**	(137,985,676)
	Weighted average number of ordinary shares outstanding during the year	**19,965,000**	19,965,000
	Loss per share - basic	**(4.17)**	(6.91)

Diluted loss per share

There is no dilutive effect on the basic loss per share of the Group, since there were no potential shares in issue as at June 30, 2024 and June 30, 2023.

35. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

	Chief Executive		Directors		Executives		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Rupees							
Basic Salary	**23,179,320**	22,721,040	**18,194,520**	17,651,820	**16,640,790**	17,116,416	**58,014,630**	57,489,276
House rent	**8,994,960**	8,817,120	**7,060,560**	6,849,960	**6,457,620**	6,723,080	**22,513,140**	22,390,160
Retirement benefits	**1,644,743**	1,913,582	**970,257**	1,218,806	**5,072,482**	7,204,110	**7,687,482**	10,336,498
Utilities	**2,421,720**	2,373,840	**1,900,920**	1,844,220	**1,738,590**	1,810,060	**6,061,230**	6,028,120
Bonus	**-**	-	**-**	-	**674,175**	888,636	**674,175**	888,636
Conveyance	**-**	-	**-**	-	**107,196**	272,334	**107,196**	272,334
	36,240,743	35,825,582	**28,126,257**	27,564,806	**30,690,853**	34,014,636	**95,057,853**	97,405,024
Number of persons	**2**	2	**3**	3	**6**	6	**0**	11

35.1 In addition to the above, the Chief Executives and Directors are also provided with free use of maintained cars and residential telephones.

36. CAPACITY AND PRODUCTION

	2024	2023
	Number	
36.1 *Textile Segment*		
Number of spindles installed	**39,588**	35,752
Number of spindles operated	**39,588**	35,752
Installed capacity in Kgs. after conversion into 30 single count	**8,476,187**	8,090,678
Actual production of yarn in Kgs. after conversion into 30 single count	**7,182,054**	6,425,548
Number of shifts worked per day	**3**	3

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

36.2 *Cold Storage Segment*

	2024	2023
Installed Capacity- Pallets	**22,000**	22,000
Capacity Utilized- Pallets	**16,000**	16,000

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

37. FINANCIAL INSTRUMENTS

37.1 Financial risk analysis

The Board of Directors of the Holding Company 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

- Credit risk
- Liquidity risk
- Market risk

37.1.1 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 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 :

	Note	**2024**	2023
		Rupees	
Long-term deposits		**13,853,051**	13,853,051
Trade debts	(a)	**675,949,160**	781,346,479
Short term trade deposits		**572,132**	558,010
Loans to employees		**4,363,675**	4,769,066
Short term investment		**19,835,430**	19,308,682
Other receivables		**37,817,607**	65,295,814
Bank balances	(b)	**30,021,376**	65,859,944
		782,412,431	950,991,046

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:

	2024		2023	
	Gross	**Life time expected credit losses**	Gross	Life time expected credit losses
	Rupees			
Not past due	**447,315,731**	**-**	628,164,620	3,598,891
Past due 1 day - 30 days	**43,412,794**	**-**	46,586,751	-
Past due 31 days - 120 days	**86,580,430**	**1,481,539**	84,578,003	2,087,585
Above 120 days	**105,888,656**	**5,766,912**	28,546,741	843,160
	683,197,611	**7,248,451**	787,876,115	6,529,636

The bank balances along with credit ratings are tabulated below:

Bank	**Rating agency**	**Short- term Rating**	**2024**	2023
			Rupees	
Habib Metropolitan Bank Limited	PACRA	A-1+	**16,793,192**	24,987,900
Meezan Bank Limited	JCR-VIS	A-1+	**2,419,920**	17,787,255
Bank Al-Habib Limited	PACRA	A-1+	**7,103,767**	11,458,960
Bank Alfalah Limited	PACRA	A-1+	**555,676**	1,627,182
United Bank Limited	JCR-VIS	A-1+	**176,831**	212,874
National Bank of Pakistan	JCR-VIS	A-1+	**489,708**	421,230
Habib Bank Limited	JCR-VIS	A-1+	**1,321,357**	3,706,296
Faysal Bank Limited	JCR-VIS	A-1+	**220,663**	1,099,259
Dubai Islamic Bank Limited	JCR-VIS	A-1+	**500,124**	2,900,956
Al-Baraka Bank Limited	JCR-VIS	A-1	**200,000**	200,000
J.S Bank Limited	PACRA	A-1+	**240,138**	432,611
Summit Bank	JCR-VIS	A-1+	**-**	1,025,421
			30,021,376	65,859,944

37.1.2 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.

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

	June 30, 2024					
	Carrying amount	Contractual cashflows	Less than six months	Six to tweleve months	One to Five years	More than Five years
	Rupees					
Lease liability	70,370,087	128,401,271	61,604,897	33,458,131	33,338,243	-
Long term financing including accrued markup	282,405,430	420,455,979	29,109,111	148,564,541	230,857,959	11,924,368
Short term borrowings including accrued markup	930,733,115	1,489,470,170	696,586,278	792,883,892	-	-
Trade and other payables	567,247,539	634,734,478	634,734,478	-	-	-
Loans from directors and associates	114,204,960	114,204,960	114,204,960	-	-	-
	1,964,961,131	2,787,266,858	1,536,239,724	974,906,564	264,196,202	11,924,368

	June 30, 2023					
	Carrying amount	Contractual cashflows	Less than six months	Six to tweleve months	One to Five years	More than Five years
	Rupees					
Lease liability	88,191,001	142,414,166	21,610,685	21,624,022	99,179,469	-
Long term financing including accrued markup	342,915,072	539,132,684	57,095,910	62,263,961	405,204,557	14,568,256
Short term borrowings including accrued markup	981,201,793	981,201,793	529,058,634	452,143,160	-	-
Trade and other payables	484,970,322	545,311,053	369,817,927	175,493,127	-	-
Loans from directors and associates	60,865,000	56,865,000	51,765,000	-	5,100,000	-
	1,958,143,188	2,264,924,696	1,029,348,156	711,524,270	509,484,026	14,568,256

37.1.3 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:

	2024	2023	**2024**	2023
	Effective interest rate (%)		**Carrying amounts (Rs.)**	
Financial assets				
Bank deposits - pls account	**10%-20%**	3.5%-12.5%	**10,350,855**	12,740,867
Term deposit receipt	**-**	-	**1,500,000**	10,114,137
Short term investment	**17%-18%**	9.5%-12.6%	**16,630,555**	16,630,555
Financial liabilities				
Short term borrowings	**18.1%-22.3%**	16.98%-25.97%	**888,940,711**	928,626,277

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 the carrying amount 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, 2024		
Cash flow sensitivity-Variable rate financial instrument	**(8,604,593)**	**8,604,593**
As at June 30, 2023		
Cash flow sensitivity-Variable rate financial liabilities	(8,891,407)	8,891,407

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 any material price risk.

37.2 Financial instruments by categories

	2024	2023
	Rupees	
Financial assets		
At amortized cost		
Long-term deposits	**13,853,051**	13,853,051
Trade debts	**675,949,160**	781,346,479
Loan to employees	**4,363,675**	4,769,066
Short term trade deposits	**572,132**	558,010
Short term investment	**19,835,430**	19,308,682
Other receivables	**3,621,586**	32,099,703
Cash and bank balances	**36,785,150**	76,196,579
	754,980,184	928,131,570
Financial liabilities		
At amortized cost		
Lease liability	**70,370,087**	81,168,778
Long term financing	**280,702,029**	337,653,363
Short term borrowings	**888,940,711**	928,626,277
Trade and other payables	**458,746,539**	340,893,798
Loans from directors and associates	**114,204,960**	60,865,000
Accrued markup	**43,495,805**	57,837,225
	1,856,460,131	1,807,044,441

38. 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.

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, 2024	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets mesured at fair value				
Short term investment in units of mutual funds	**3,204,875**	**-**	**-**	**3,204,875**

June 30, 2023	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets mesured at fair value				
Short term investment in units of mutual funds	2,678,127	-	-	2,678,127

39. 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:

	2024	(Restated) 2023
	Rupees	
Borrowings:		
Long term financing	**280,702,029**	341,996,797
Subordinated loan from directors	**20,000,000**	20,000,000
Loans from directors and associates	**114,204,960**	60,865,000
	414,906,989	422,861,797
Shareholders' equity:		
- Issued, subscribed and paid up capital	**199,650,000**	199,650,000
- Share premium	**96,250,000**	96,250,000
- General reserves	**132,500,000**	132,500,000
- Unappropriated profit	**237,727,569**	306,891,860
	666,127,569	735,291,860
Total capital managed by the Group	**1,081,034,558**	1,158,153,657

40. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel of the Group and directors and their close family members and major shareholders of the Group. 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 35 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

Names of related party, relationship with related party	2024	2023
	Rupees	
Mohammad Younus Nawab (Chairman)		
Transactions during the year		
Loan obtained during the year	**8,200,000**	55,000,000
Loan repaid during the year	**1,000,000**	50,390,000
Balances as at the year end		
Loan payable as of the reporting date	**10,550,000**	3,350,000
Mohammad Irfan Nawab (CEO)		
Transactions during the year		
Loan obtained during the year	**16,500,000**	7,000,000
Loan repaid during the year	**6,000,000**	1,500,000
Balances as at the year end		
Loan payable as of the reporting date	**24,956,000**	14,456,000
Ibrahim Younus (Director)		
Transactions during the year		
Loan obtained during the year	**38,767,460**	59,375,000
Loan repaid during the year	**32,800,000**	55,065,000
Balances as at the year end		
Loan payable as of the reporting date	**9,017,460**	3,050,000
Ismail Younus (Director)		
Transactions during the year		
Loan obtained during the year	**48,122,500**	72,670,000
Loan repaid during the year	**37,600,000**	68,270,000
Balances as at the year end		
Loan payable as of the reporting date	**20,522,500**	10,000,000
Muhammad Faizanullah (Director)		
Transactions during the year		
Loan obtained during the year	**10,000,000**	-
Loan repaid during the year	**2,400,000**	4,100,000
Balances as at the year end		
Loan payable as of the reporting date	**8,500,000**	900,000
Sabiha Younus (Spouse of Chairman / Sponsor)		
Transactions during the year		
Loan obtained during the year	**40,700,000**	16,575,000
Loan repaid during the year	**28,950,000**	21,175,000
Rent paid during the year	**2,655,984**	-
Balances as at the year end		
Loan payable as of the reporting date	**40,400,000**	28,650,000
Afshan Irfan (Spouse of CEO / Sponsor)		
Transactions during the year		
Loan obtained during the year	**1,000,000**	4,000,000
Loan repaid during the year	**1,000,000**	-
Rent paid during the year	**2,655,984**	-
Balances as at the year end		
Rent payable as of the reporting date		
Loan payable as of the reporting date	**40,000,000**	40,000,000

41. 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 confectionary and other fast moving consumer goods.

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 2024			
	Textile	Cold Storage	Distribution	Total
	Rupees			
Revenue - net	3,804,189,397	338,697,232	1,421,240,496	5,564,127,125
Cost of sales and services	(3,514,958,140)	(276,374,366)	(1,325,953,127)	(5,117,285,633)
Gross Profit	289,231,257	62,322,866	95,287,369	446,841,492
Administrative expenses	(108,896,532)	(34,735,922)	(10,118,591)	(153,751,045)
Distribution expenses	(44,152,120)	-	(71,091,921)	(115,244,041)
Other operating expenses	(1,216,850)	-	-	(1,216,850)
Opertaing profit	134,965,755	27,586,944	14,076,857	176,629,556
Other income	3,161,563	509,104	5,699,567	9,370,234
Finance costs	(249,986,488)	(2,803,384)	(19,030,721)	(271,820,593)
	(246,824,925)	(2,294,280)	(13,331,154)	(262,450,359)
Loss before taxation and levies	(111,859,170)	25,292,664	745,703	(85,820,803)
Levies	(47,780,303)	(10,256,346)	(3,553,101)	(61,589,750)
Loss before taxation	(159,639,473)	15,036,318	(2,807,398)	(147,410,553)
Taxation	69,318,100	(1,847,288)	670,462	68,141,274
(Loss) / profit after taxation	(90,321,373)	13,189,030	(2,136,936)	(79,269,279)
OTHER INFORMATION				
Segment assets	2,341,908,799	380,561,044	193,583,585	2,916,053,428
Total assets				2,916,053,428
Segment liabilities	1,650,614,347	261,689,090	261,689,090	2,173,992,527
Total liabilities				2,173,992,527
Capital expenditure	27,900,068	7,515,879	3,210,756	38,626,703
Total capital expenditure				38,626,703
Depreciation	65,455,702	10,741,176	5,216,744	81,413,622

Dsecription	June 30 2023			
	Textile (restated)	Cold Storage (restated)	Distribution (restated)	Total
	Rupees			
Sales revenue - net	2,885,600,597	306,289,006	1,114,448,286	4,306,337,889
Cost of sales and Services	(2,810,789,034)	(226,527,559)	(1,045,121,991)	(4,082,438,584)
Gross Profit	74,811,563	79,761,447	69,326,295	223,899,305
Administrative expenses	(105,268,800)	(33,850,886)	(8,368,574)	(147,488,260)
Distribution expenses	(25,178,112)	(3,385,080)	(56,712,202)	(85,275,394)
Other operating expenses	(509,810)	(149,997)	(1,200,000)	(1,859,807)
Opertaing profit	(56,145,159)	42,375,484	3,045,519	(10,724,156)
Other income	19,207,354	15,206,981	2,719,105	37,133,440
Finance costs	(195,774,702)	(9,070,514)	(17,495,865)	(222,341,081)
	(176,567,348)	6,136,467	(14,776,760)	(185,207,641)
Loss before taxation and levies	(232,712,507)	48,511,951	(11,731,241)	(195,931,797)
Levies	(36,332,404)	-	(1,786,121)	(38,118,525)
Loss before taxation	(269,044,911)	48,511,951	(13,517,362)	(234,050,322)
Taxation	129,583,578	(24,740,414)	(1,647,057)	103,196,107
Profit / (loss) after taxation	(139,461,333)	23,771,537	(15,164,419)	(130,854,215)
OTHER INFORMATION				
Segment assets	2,350,112,954	371,824,634	264,753,885	2,986,691,473
Total assets				2,986,691,473
Segment liabilities	1,683,841,505	245,075,511	245,075,511	2,173,992,527
Total liabilities				2,173,992,527
Capital expenditure	360,365,867	1,941,626	7,120,649	369,428,142
Total capital expenditure				369,428,142
Depreciation	(57,003,523)	(10,724,925)	(4,594,753)	(72,323,201)

42. RESTATEMENT OF THE CORRESPONDING FIGURES

42.1 Change in accounting policy - Current tax

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as *'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'*. The circular clarifies that any taxes whose calculation is *not* based on **'taxable profit'** (as defined in the International Accounting Standard (IAS) 12 *'Income Taxes'*) do not meet the definition of **'current tax'** as per that standard. Instead, such taxes should be treated as **'levies'** falling within the scope of IFRIC 21 *'Levies'* and the IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'*.

In light of the guidance provided in, and as required by, the said circular, the Group has changed its accounting policy for current tax whereby *only* the portion of the income tax charge that is based on the *'taxable income'* for a reporting period *(as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder)* is now classified as a **'current tax'**. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a **'levy'** in the statement of profit or loss. However, the said change in accounting policy has no effect on the accounting for deferred income taxes i.e., the deferred tax liailities / assets continue to be accounted for based on the taxable / deductible temporary differences and the tax rate(s) enacted or substantively enacted by the end of the reporting period.

In these financial statements, the said change in accounting policy has been accounted for *retrospectively* (see note 42.3 below for further information). If the said change in accounting policy had, however, not been made, the following items in the statement of profit or loss would have been reported as follows:

	2024	2023
Levies	**61,589,750**	**39,118,525**
Loss before taxation	**61,589,750**	39,118,525
Taxation	**(61,589,750)**	**(39,118,525)**
Loss after levies and taxation	-	-
Loss per share - basic and diluted	-	-

42.2 Correction of prior period errors

As required by the IAS 16 *'Property, Plant and Equipment'*, the Group, at the end of its recent annual reporting period (i.e., June 30, 2024), reviewed the useful lives and residual values of its buildings, plant & machinery and vehicles *(classified as property, plant and equipment)* to see if the current expectations differ from the previous expectations and there is any need to revise such accounting estimates.

As a result of this exercise, it was transpired that the *actual* remaining useful lives and / or residual values of the aforementioned assets were significantly greater than those based on the original estimates. However, the said increase could not be attributed any recent BMR activities (such as major overhauls or structural changes to the assets); instead, the same was found to be resulting from the original incorrect estimates of the useful lives and / or residual values of the assets. Specifically, it was concluded that:

(a) **original useful lives** of both the buildings and plant & machinery were **20 years** (instead of 10 years, as previously estimated) resulting in the annual depreciation rate of **5%** (instead of 10%, as previously used); and

(b) **original residual values** of the buildings, plant & machinery and vehicles were estimated to be 35%, 20% and 30%, respectively, of the cost (instead of Nil residual values, as assumed previously).

42.3 Combined effects of restatement of the corresponding figures

In these consolidated financial statements, the change in accounting policy (referred to in note 42.1 above) as well as the correction of prior period errors (referred to in note 42.2 above) have been accounted for retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 *'Accounting Policies, Changes in Accounting Estimates and Errors'* and all the corresponding figures affected thereby have been restated. Further, since these restatements have material effects on the statement of financial position as at the beginning of the earliest period presented (i.e. June 30, 2022), the said statement has also been presented in these financial statements in accordance with the requirements of the IAS 1 *'Presentation of Financial Statements'*.

The retrospective effects on the corresponding figures presented in these consolidated financial statements are as follows:

Effects on the statement of financial position

	June 30, 2023			June 30, 2022		
	As previously reported	As restated	Change	As previously reported	As restated	Change
	----- (Rupees) -----					
Assets						
Property, plant and equipment	975,045,698	1,447,787,521	472,741,823	748,034,155	1,167,755,644	419,721,489
Deferred tax asset / (liability)	138,989,832	1,894,704	(137,095,128)	42,229,752	(78,699,325)	(120,929,077)
Share capital and reserves						
Unappropriated (loss) / profit	(15,047,461)	306,891,860	321,939,321	254,936,150	542,451,071	287,514,921
Non- controlling interest	58,269,249	71,976,623	13,707,374	53,567,671	64,845,162	11,277,491

Effects on the statement of profit or loss / statement of comprehensive income

	For the year ended June 30, 2023		
	As previously reported	As restated	Change
	----- (Rupees) -----		
Revenue - net	4,306,337,889	4,306,337,889	-
Cost of sales	(4,107,099,257)	(4,047,247,006)	59,852,251
Gross profit	199,238,632	259,090,883	59,852,251
Administrative expenses	(151,166,919)	(148,051,810)	3,115,109
Selling and distribution costs	(85,275,394)	(81,890,314)	3,385,080
Other operating expense	(1,859,810)	(1,859,810)	-
Other income	44,784,543	31,452,437	(13,332,106)
	(193,517,580)	(200,349,497)	(6,831,917)
Operating profit	5,721,052	58,741,386	53,020,334
Finance costs	(222,341,081)	(222,341,081)	-
Loss before taxation and levies	**(216,620,029)**	**(163,599,695)**	**53,020,334**
Levies	-	(39,118,525)	(39,118,525)
Loss before taxation	**(216,620,029)**	**(202,718,220)**	**13,901,809**
Taxation	48,911,531	71,864,005	22,952,474
Loss after taxation	**(167,708,498)**	**(130,854,215)**	**36,854,283**
Increase / (decrease) in other comprehensive income			-
Increase in total comprehensive income			**36,854,283**

43. GENERAL

43.1 Corresponding figures

In these consolidated financial statements, the following corresponding figures have been rearranged and reclassified, for the purposes of comparison and better presentation.

Reclassified from component	**Reclassified to component**	***Note***	**Rupees**
Other receivables (Current assets)	Long term deposits and prepayments (Non current assets)		11,097,000
Repairs and maintenance (Fuel and power- generation costs)	Generator operation and maintenance (Fuel and power- generation costs)	*26.4*	23,400,000
Packing and forwarding expense (Distribution Expense)	Packing and forwarding expense (Cost of sales and services)		3,385,080

43.2 Date of authorisation for issue

These consolidated financial statements were approved by the Board of Directors of the Holding Company in their meeting held on 30-September-2024.

43.3 Level of rounding

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, 2024

# of Shareholders	Shareholdings' Slab			Total Shares Held
137	1	to	100	3,217
144	101	to	500	49,964
53	501	to	1000	45,045
112	1001	to	5000	307,568
36	5001	to	10000	252,893
14	10001	to	15000	173,020
15	15001	to	20000	261,590
6	20001	to	25000	142,990
7	25001	to	30000	198,118
2	35001	to	40000	73,967
2	40001	to	45000	89,933
1	45001	to	50000	45,375
1	55001	to	60000	57,261
2	65001	to	70000	135,350
1	70001	to	75000	70,189
2	80001	to	85000	163,082
2	95001	to	100000	198,653
2	100001	to	105000	202,880
1	110001	to	115000	112,794
1	165001	to	170000	168,512
1	245001	to	250000	250,000
1	250001	to	255000	250,750
1	385001	to	390000	388,802
1	390001	to	395000	393,845
1	400001	to	405000	403,065
1	405001	to	410000	409,013
2	440001	to	445000	886,072
1	495001	to	500000	498,946
2	540001	to	545000	1,081,692
1	550001	to	555000	553,466
1	685001	to	690000	687,724
1	880001	to	885000	881,461
1	920001	to	925000	921,308
1	4665001	to	4670000	4,666,275
1	4940001	to	4945000	4,940,180
558				**19,965,000**

SANA INDUSTRIES LIMITED
Pattern of Shareholding
As of June 30, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MOHAMMED YOUNUS NAWAB	1	4,666,275	23.37
HAFIZ MOHAMMED IRFAN NAWAB	1	4,940,180	24.74
IBRAHIM YOUNUS	2	545,439	2.73
ISMAIL YOUNUS	1	540,846	2.71
MOHAMMED FAIZANULLAH	1	444,572	2.23
SABIHA YOUNUS	1	921,308	4.61
AFSHAN IRFAN	1	881,461	4.42
Associated Companies, undertakings and related parties	-	-	-
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	1	427	0.00
Insurance Companies	-	-	-
Modarabas and Mutual Funds	2	688,118	3.45
General Public			
a. Local	532	5,985,915	29.98
b. Foreign	8	9,183	0.05
Others	7	341,276	1.71
Totals	**558**	**19,965,000**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
MOHAMMED YOUNUS NAWAB	4,666,275	23.37
HAFIZ MOHAMMED IRFAN NAWAB	4,940,180	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 39th Annual General Meeting scheduled to be held on 25th October, 2024 or at any adjournment thereof.

Signed this____ day of ___________________________2024.

Signature of Proxy ____

Signature on Rs.5/- Revenue Stamp

Folio No. of Shareholder____________

No.of Shares held__________________

Signature of Shareholder

WITNESSES

(1) Signature ______________________	(2) Signature _________________________
Name________________________	Name________________________
CNIC No._____________________	CNIC No._____________________
Address______________________	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.