

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of Sana Industries Limited (the Holding Company) and its subsidiary company Sana Logistics (Private) Limited as at June 30, 2017 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Sana Industries Limited and its subsidiary company Sana Logistics (Private) Limited, for the year ended June 30, 2017. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Sana Industries Limited and its subsidiary company as at June 30, 2017 and the results of their operations for the year then ended.

20 SEP 2017

KARACHI:


MUNIFF ZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(Sohail Saleem)

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SANA INDUSTRIES LIMITED
CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	629,166,481	495,181,253
Long-term deposits		3,165,751	1,213,251
		<u>632,332,232</u>	<u>496,394,504</u>
CURRENT ASSETS			
Stock-in-trade	8	233,838,716	228,031,479
Trade debts - unsecured	9	208,298,549	259,094,056
Loans and advances	10	32,090,488	29,930,847
Trade deposits and short-term prepayments	11	2,273,945	837,265
Other receivables	12	27,748,965	16,154,906
Taxation - net		49,997,350	17,454,638
Cash and bank balances	13	9,018,917	40,065,539
		<u>563,266,930</u>	<u>591,568,730</u>
TOTAL ASSETS		<u>1,195,599,162</u>	<u>1,087,963,234</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital			
8,593,750 (June 30, 2016: 8,593,750)			
Ordinary shares of Rs. 10/- each	14	85,937,500	85,937,500
General reserves		132,500,000	132,500,000
Unappropriated profit		66,715,945	139,519,910
Equity attributable to the shareholders of Holding Company		<u>285,153,445</u>	<u>357,957,410</u>
Non controlling interest		<u>3,830,797</u>	<u>5,081,148</u>
Total equity		<u>288,984,242</u>	<u>363,038,558</u>
NON CURRENT LIABILITIES			
Long-term musharaka	15	136,897,260	68,236,148
Deferred liabilities	16	42,284,526	46,418,060
		<u>179,181,786</u>	<u>114,654,208</u>
CURRENT LIABILITIES			
Trade and other payables	17	155,289,251	133,494,057
Finance cost payable	18	9,421,754	7,163,997
Loans from directors and associates	19	100,690,000	36,844,435
Current portion of long-term musharaka	15	64,258,253	49,422,617
Short-term morabaha	20	397,773,877	383,345,362
		<u>727,433,135</u>	<u>610,270,468</u>
CONTINGENCIES AND COMMITMENTS			
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TOTAL EQUITY AND LIABILITIES		<u>1,195,599,162</u>	<u>1,087,963,234</u>

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


(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


(Abul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Turnover	22	1,728,182,115	1,791,117,662
Cost of sales and services	23	(1,674,974,109)	(1,613,750,419)
Gross profit		53,208,006	177,367,243
Distribution expenses	24	(14,359,347)	(11,130,637)
Administrative expenses	25	(49,694,927)	(38,925,089)
		(64,054,274)	(50,055,726)
Other income	26	4,117,442	3,275,408
Other operating expense	27	(654,100)	(6,691,968)
		3,463,342	(3,416,560)
Operating (loss) / profit		(7,382,925)	123,894,957
Finance costs	28	(43,790,714)	(40,341,388)
(Loss) / profit before taxation		(51,173,639)	83,553,569
Taxation	29	14,947,052	(18,821,206)
(Loss) / profit after taxation		(36,226,587)	64,732,363
(Loss) / earning per share - Basic and diluted	30	(4.22)	7.53

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

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(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017


	2017 Rupees	2016 Rupees
Net profit for the year	(36,226,587)	64,732,363
Remeasurements of staff employment benefit	(11,231,311)	(44,719,890)
Related deferred tax	3,481,706	14,310,365
	(7,749,605)	(30,409,525)
Total comprehensive income for the year	(43,976,191)	34,322,838
Attributable to:		
- Shareholders of the Holding Company	(42,725,840)	34,341,690
- Non - controlling interest	(1,250,351)	(18,852)
	(43,976,191)	34,322,838

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

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(Mohammad Irfan Nawab)
Chief Executive


(Mohammad Younus Nawab)
Chairman



(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / profit before taxation		(51,173,639)	83,553,569
Adjustments for:			
Depreciation		71,500,041	62,876,721
Gain on sale of fixed assets		(3,736,496)	(2,016,550)
Profit on bank accounts		(380,946)	(1,258,858)
Provision for staff benefits		6,389,413	1,265,806
Finance costs		43,790,714	40,341,388
Operating profit before working capital changes		66,389,087	184,762,076
(Increase) / decrease in current assets	31.1	29,797,890	(36,808,607)
Increase in current liabilities	31.2	21,693,843	46,742,509
Cash generated from operations		117,880,819	194,695,978
Finance costs paid		(41,532,957)	(40,601,413)
Income taxes paid		(32,632,765)	(32,599,303)
Staff benefits paid		(3,235,442)	-
Long-term deposit		(1,952,500)	(45,131)
Net cash inflow from operating activities		38,527,156	121,450,131
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(299,916,842)	(169,850,999)
Profit received on bank accounts		380,946	1,258,858
Acquisition of non-controlling interest		-	5,100,000
Proceeds from sale of property, plant and equipment		98,168,065	2,630,000
Net cash used in investing activities		(201,367,832)	(160,862,141)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts under short-term morabaha		14,428,515	31,328,547
Receipts under long-term musharaka		83,496,748	24,243,412
Borrowings from directors and associates		63,845,565	31,844,435
Dividend paid		(29,976,774)	(68,875,507)
Net cash inflow from financing activities		131,794,054	18,540,887
Net decrease in cash and cash equivalents		(31,046,622)	(20,871,124)
Cash and cash equivalents at beginning of the year		40,065,539	60,936,663
Cash and cash equivalents at the end of the year	13	9,018,917	40,065,539

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


(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


(Abul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total equity attributable to the shareholders of Holding	Non - cont interest
		General reserves	Un-appropriated profit	Sub - total		
Balance as at 30 June, 2015	85,937,500	132,500,000	173,928,220	323,615,720	392,365,720	(Ruppee)
Non-controlling interest arising on business combination	-	-	-	-	-	5,10
Transactions with owners:						
Final dividend for the year ended June 30, 2015 @ Rs. 8 per share	-	-	(68,750,000)	(68,750,000)	(68,750,000)	
Profit after taxation for the year ended June 30, 2016	-	-	64,751,215	64,751,215	64,751,215	(1)
Other comprehensive income	-	-	(30,409,525)	(30,409,525)	(30,409,525)	(1)
	-	-	34,341,690	34,341,690	34,341,690	(1)
Balance as at 30 June, 2016	85,937,500	132,500,000	139,519,910	289,207,410	357,957,410	5,08
Transactions with owners:						
Final dividend for the year ended June 30, 2016 @ Rs. 3.5 per share	-	-	(30,078,125)	(30,078,125)	(30,078,125)	
Profit after taxation for the year ended June 30, 2017	-	-	(34,976,236)	(34,976,236)	(34,976,236)	(1,25)
Other comprehensive income	-	-	(7,749,605)	(7,749,605)	(7,749,605)	(1,25)
	-	-	(42,725,840)	(42,725,840)	(42,725,840)	(1,25)
Balance as at 30 June, 2017	85,937,500	132,500,000	66,715,945	216,403,445	285,153,445	3,830

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


 (Muhammad Efan Nawab)
 Chief Executive


 (Muhammad Younus Nawab)
 Chairman


 (Muddal Hussain Arifania)
 Chief Financial Officer

SANA INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1 NATURE OF BUSINESS

- 1.1** The group consist of Sana Industries Limited (the holding company) and Sana Logistics (Private) Limited (the subsidiary company).
- 1.2** Sana Industries Limited (the holding company) was incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984. The shares of the holding company are quoted on the Pakistan Stock Exchange. The holding company is engaged in the following activities.
- i) manufacturing and sale of man-made blended yarn;
 - ii) providing services in respect of cold storage through "compartmentalized cold store project";
 - iii) food stuff (processing of ready to eat meals).

The registered office of the holding company is located at 33-D-2, Block 6, PECHS, Karachi,

- 1.3** Sana Logistics (Private) Limited (the subsidiary company) was incorporated in Pakistan as a private limited Company under the Companies Ordinance, 1984 on 18th day of August 2015. The principle activity of the subsidiary company is to provide services in respect of Dry Storage through compartmentalized store project.

The registered office of the subsidiary company is located at SF-96, S.I.T.E, Karachi, Pakistan.

2 BASIS OF PREPARATION

2.1 Consolidated financial statements

These are the consolidated financial statements (therein after referred as the financial statements) of the Group in which investment in subsidiary is accounted for on the basis of direct or indirect equity interest rather than on the basis of reported results and net assets of the investee. Unconsolidated financial statements of the Group companies are prepared separately.

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) for companies the financial year of which close on or before June 30, 2017, shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the prevailing repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the repealed Companies Ordinance, 1984 prevail.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost convention.

These financial statements are presented in Pak rupees which is the Group's functional and presentation currency.

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

4.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards would be effective from the dates mentioned below against the respective standard or interpretation:

4.2 Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of International Financial Reporting Standards (Amendments)	January 1, 2018
IFRS 2	Share-based Payment (Amendments)	January 1, 2018
IFRS 9	Financial Instruments (Amendments)	January 1, 2018
IFRS 12	Disclosure of Interest in Other Entities	January 1, 2017
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2017
IAS 12	Income Taxes (Amendments)	January 1, 2017
IAS 28	Investments in Associates and Joint Ventures	January 1, 2018
IAS 40	Investment Property (Amendments)	January 1, 2018
IFRIC 22	Foreign Currency Transactions and Advances	January 1, 2018
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019

The Group expects that the adoption of the above amendments and interpretations will not affect its financial statements in the period of initial application.

In addition to the above amendments and interpretations, improvements to the following accounting standards have also been issued by IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2016.

4.3 Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 12	Disclosure of Interests in Other Entities (Amendments)	January 1, 2016
IAS 16	Property, Plant and Equipment (Amendments bringing bearer plants into the scope of IAS 16)	January 1, 2016
IAS 16	Property, Plant and Equipment (Amendments regarding the clarification of acceptable methods of depreciation and amortisation)	January 1, 2016
IAS 38	Intangible Assets (Amendments)	January 1, 2016

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Securities and Exchange Commission of Pakistan vide circular no.14 of 2016 "Implementation of Mandatory Disclosure for Listed Companies for All Shares Islamic Index Screening" issued on 21 April 2016 directed all listed companies under section 506B of the Companies Ordinance, 1984 (XLVII of 1984) read with section 505 thereof and Section 40B of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) to disclose all Islamic related transactions and balances in their annual and half yearly financial statements. Accordingly, additional disclosures have been presented as per circular no.14.

5 SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of consolidation

Subsidiaries

The financial statements include the financial statements of the Holding Company and its subsidiary companies.

Subsidiaries are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50 percent of its voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of subsidiaries are included in the financial statements from the date control commences. The financial statements of the subsidiaries are consolidated on a line-by-line basis and the carrying value of investment held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiaries. The Group applies uniform accounting policies for like transactions and events in similar circumstances except where specified otherwise.

All material inter-group balances, transactions and resulting unrealized profits / losses are eliminated.

5.2 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment, if any, except for leasehold land, 5F/96 premises (tenancy rights) and capital work in progress, which are stated at cost.

Depreciation is charged to profit and loss account using straight line method so as to write off the historical cost of the assets over their estimated useful lives at the rates given in note 7.1. Depreciation on additions is charged from the month in which the asset is put to use and on disposals upto the month the asset is in use. Assets' residual values and useful lives are reviewed, and adjusted, if appropriate annually.

The carrying values of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount is the greater of net selling price and value in use.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Group.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account.

The carrying value of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

5.3 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of fixed assets are capitalized in the relevant fixed asset for the period upto the date of commercial production, or commencement of its intended use. All other borrowing costs are charged to profit and loss account as and when incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.4 Stock-in-trade

These are stated at the lower of net realizable value (NRV) and cost determined as follows:

- | | |
|--------------------------------------|--------------------------------|
| - Raw and packing material | - on a weighted average basis; |
| - Stock-in-transit | - at invoice price plus other |
| - Work-in-process and finished goods | - at weighted average cost of |
| - Waste stock | - at net realizable value. |

Net realisable value is determined by considering selling price of stock in the ordinary course of business less costs of completion and cost necessary to be incurred in order to make the sale.

5.5 Stores and spares

The cost of stores and spares are charged to revenue as and when acquired. The cost of stores and spares inventory left unused is not considered material.

5.6 Trade debts and other receivables

Trade debts and other receivables are recognized and carried at original invoice amount less an estimated allowance made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

5.7 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks.

5.8 Long and short-term borrowings

These are recorded at the proceeds received. Installments due within one year are shown as a current liability and mark-up on borrowings is charged as an expense on an accrual basis.

5.9 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

5.10 Provisions

Provisions are recognised when the Group has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.11 Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights under the instruments are realised, expired or surrendered. Financial liabilities are derecognised when the obligation is extinguished, discharged, cancelled or expired. Any gain or loss on recognition or derecognition of the financial assets and financial liabilities is taken to profit and loss account.

5.12 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet only when the Group has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Corresponding income and expenditure is also netted off and recorded on a net basis in profit and loss account.

5.13 Employee benefits

5.13.1 Compensated absences

The holding company provides for its estimated liability towards leaves accumulated by employees on an accrual basis using current salary levels.

5.13.2 Defined benefit scheme

The holding company operates a recognised, funded defined benefit gratuity scheme for all its permanent employees which is administered by the Trustees. Contributions are made to the fund on the basis of actuarial valuation carried out each year using Projected Unit Credit Method. Under this method, the cost of providing gratuity is charged to the profit and loss account so as to spread the cost over the service lives of the employees in accordance with the advice of qualified actuaries.

All actuarial gains and losses are recognised in 'other comprehensive income' as they occur. Previously actuarial gains / losses exceeding 10 percent of the higher of the present value of the defined benefit obligation and fair value of plan assets at the beginning of the year, were amortised over the expected average working lives of the employees participating in the plan.

5.14 Taxation

Current

Provision for current taxation is the higher of the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, and tax paid on presumptive basis, minimum tax and alternate corporate tax u/s 113C.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realizable.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

5.15 Revenue recognition

Revenue from sale of goods is recognised upon passage of title to the customer which generally coincides with physical delivery and acceptance of the goods.

Revenue from services in respect of cold storage is recognised on accrual basis.

Profit on bank accounts is recognised on accrual basis.

Rental income from investment property is recognized as other income on a straight line basis over the term of the lease.

5.16 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

5.17 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The holding company has three reportable business segments; Textile (Manufacturing and sale of man-made blended yarn), Cold storage (Providing services in respect of cold storage through "compartmentalized cold store project) and Food stuff (Processing of "ready to eat" meals).

5.18 Related party transactions

All transactions with related parties are carried on an arm's length basis.

5.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves is recognised in the Group's financial statements in the period in which these are approved.

5.20 Investments in subsidiary and associated company

Investments in subsidiary and associated company are carried at cost less impairment, if any. Impairment losses are recognized as an expense. At each reporting date, the holding company reviews the carrying amounts 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 profit or loss account.

6 ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimate and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates is revised and in any future periods affected.

In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

Property, plant and equipment

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the recommendation of technical team of the Group. Further, the Group reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of tangible fixed assets with a corresponding affect on the depreciation charge and impairment.

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 16.4.5 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might effect unrecognized gains and losses in those years. The actuarial valuation involves making assumptions about discount rate, future salary increases, mortality rates, withdrawal rates and normal retirement age.

Taxation

In making the estimates for income taxes payable by the Group, the management considers applicable tax laws and the decisions of appellate authorities on certain cases issued in past. Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Stock-in-trade

The holding company reviews the Net Realizable Value (NRV) of stock-in-trade to assess any diminution in respective carrying value.

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

Note	2017 Rupees	2016 Rupees
7.1	628,328,927	495,181,253
	837,554	-
	<u>629,166,481</u>	<u>495,181,253</u>

7.1 Operating fixed assets

2017	PARTICULARS	COST			ACCUMULATED DEPRECIATION				BOOK VALUE AS AT JUNE 30, 2017	
		AS AT JULY 01, 2016	ADDITIONS (DELETIONS)	AS AT JUNE 30, 2017	RATE % per annum	AS AT JULY 01, 2016	ADJUSTMENTS ON DISPOSAL	DEPRECIATION FOR THE YEAR		AS AT JUNE 30, 2017
	Leasehold land	47,032,061	14,786,200 (49,722,267)	12,095,494	-	-	-	-	12,095,494	
	SF-96 Premises (Tenancy Rights)	5,000,000	-	5,000,000	-	-	-	-	5,000,000	
	Building on leasehold land	188,482,892	17,914,317	206,397,199	19	80,994,326	15,452,662	96,446,988	109,950,211	
	Electrification - Factory Building	16,044,407	2,445,951	18,490,358	10	10,772,056	1,043,059	11,816,255	6,674,093	
	Office Premises SF/96	12,711,363	-	12,711,363	10	7,072,902	1,010,515	8,103,417	4,607,946	
	Plant and machinery	206,777,996	239,753,059 (104,488,424)	842,042,631	10	422,228,741	(59,882,822)	405,873,543	436,169,005	
	Handing equipments	21,027,033	19,965,468	40,992,501	10 to 20	9,009,343	2,971,215	11,979,558	29,012,943	
	Furniture, fixtures and office equipments	31,178,626	1,043,967 (105,800)	32,116,793	10	1,506,769	(21,397)	5,476,959	6,637,795	
	Lab Equipment	311,295	-	311,295	10 to 20	155,646	62,259	117,007	93,388	
	Vehicles	24,228,979	2,853,746 (1,140,000)	36,042,731	20	1,530,273	(1,138,999)	19,001,010	17,038,722	
	Computers & software	2,887,956	316,580 (849,764)	2,354,772	20	1,861,493	(875,967)	1,354,513	1,000,259	
	Plastic Cubes	193,425	-	193,425	50	193,419	-	193,419	-	
	JUNE 30, 2017 - Rupees	1,045,974,019	299,679,288 (156,306,755)	5,149,748,552		550,704,766	(61,875,182)	71,070,941	560,419,475	628,328,927

2016 PARTICULARS	COST			ACCUMULATED DEPRECIATION			BOOK VALUE AS AT JUNE 30, 2016
	AS AT JULY 01, 2015	ADDITIONS (DELETIONS)	AS AT JUNE 30, 2016	RATE % per annum	AS AT JULY 01, 2015	ADJUSTMENTS ON DISPOSAL	
Leasehold land	22,095,494	34,936,567	47,032,061	-	-	-	47,032,061
SF/96 Premises (Tertiary Ripe)	5,000,000	-	5,000,000	-	-	-	5,000,000
Building on leasehold land	112,979,217	55,543,665	188,482,882	10	70,049,694	-	107,489,556
Electrification - Factory Building	11,978,319	4,986,088	16,044,407	10	9,304,037	-	5,271,551
Office Premises SF/96	12,597,585	117,778	12,711,363	10	4,051,231	-	5,638,461
Plant and machinery	641,452,039	66,325,958	706,777,996	10	383,169,849	-	284,549,255
Handling equipments	18,770,619	2,256,434	21,027,053	10.8/20	7,061,182	-	12,017,690
Furniture, fixtures and	6,785,803	4,128,623	11,178,626	10	4,013,735	(1,900)	6,582,881
Lab Equipment	311,295	(45,000)	111,295	10 to 20	97,388	-	15,647
Vehicle	71,115,532	7,348,023	34,326,975	20	11,471,128	(3,564,638)	20,415,707
Computers & software	2,601,371	286,885	2,887,956	20	1,574,471	-	1,026,463
Public Gates	193,425	-	193,425	50	193,419	-	8
JUNE 30, 2016 - Rupees	874,835,799	175,319,801	1,045,976,019		491,484,175	(3,566,130)	550,794,266
Disposals		(4,179,580)					895,181,753

7.2 The depreciation charged for the year has been allocated as follows:

	2017	2016
	Rupees	Rupees
Manufacturing and services expensed	23	49,457,908
Fuel and power	23.1	13,192,292
Distribution expenses	7.5	20,601
Administration expenses	15	8,829,247
		71,508,047
		62,875,221

7.1.2 Details of property, plant and equipment sold are given below:

DESCRIPTION	DATE/YEAR OF ACQUISITION	ORIGINAL COST	ACCUMULATED DEPRECIATION	BOOK VALUE	SALE PROCEEDS	GAIN/(LOSS)	MODE OF DISPOSAL	PARTICULARS OF BUYER
Land								
Land Khule No 168	31/07/2015	32,100,000	-	32,100,000	40,000,000	7,900,000	Negotiation	Oranary Miharomat Aftiq House# 6, Linear Street, Fuz
Leasehold Land No.53 & 55	02/06/2015	17,622,767	-	17,622,767	18,000,000	377,233	Negotiation	Ms Husna Bano Saeed S Pirthi
Plant and machinery								
Air Compressor Ingersollrand 75 Kw	29/04/2010	700,000	460,834	239,166	390,000	100,834	Negotiation	MB trading Smt # 215, 7th floor, Towers Abdulrah Haroon Road, K
Generator 1150 Kw	19/06/2011	24,411,152	13,340,956	11,000,196	1,705,402	(9,294,794)	Negotiation	International Power Services Pl 257/14, Sector-15, Kharaj Ind
Drawing Frame Zinser 2 Fcs	30/09/1999	800,000	799,999	1	64,104	64,103	Negotiation	Mall Traders, Shop Quality Ch
Computers Yam Division	Various	948,764	825,969	22,795	-	(23,795)	Damage	Shop Quality Oranary Main Shop
Used Spinning Frame 800 Spindles	20/05/2009	3,481,758	2,727,387	754,301	900,000	145,619	Negotiation	Mark Traders, Shop Quality Or
Diesel Generator Cummins 500 Kw	01/03/2013	6,351,384	2,752,221	3,599,003	4,000,000	400,917	Negotiation	Protec International Chqy 096 605, 6TH floor, PAF # 1, Elye
Spinning Frames	30/09/1993	39,271,164	39,271,164	-	2,307,622	2,307,622	Negotiation	M. Shabbir Ghouse # 277, Confr Tower Sumerian Road Faisal
Coal Chain Machinery Parts	04/04/2017	17,394,158	434,854	16,959,304	17,521,567	5/2,063	Negotiation	Freddie International (Pvt) Ltd 606, 6TH floor, PAF # 1, Elye
Coal Chain Machinery Parts	30/05/2017	12,048,896	808,407	11,048,491	12,750,000	701,509	Negotiation	Protec International Chqy 096 605, 6TH floor, PAF # 1, Elye
Equipments Az								
Samsung Note 4 White (Serial No:ms	30/03/2015	57,800	18,957	42,203	-	(47,000)	Theft	
Samsung Galaxy S5 (Farazulali)	19/03/2015	48,000	10,800	37,200	25,500	(11,700)	Negotiation	M. Shabbir Ghouse # 277, Confr Tower Sumerian Road Faisal
Vehicles								
Toyota Corolla Auto (ZT) (Az)	15/07/2011	1,140,000	1,139,999	1	892,000	209,999	Negotiation	Oranary Miharomat Aftiq House# 6, Linear Street, Fuz
Computers & software								
TOTAL		158,306,755	61,875,187	94,431,568	98,167,615	3,266,497		

	Note	2017 Rupees	2016 Rupees
8 STOCK-IN-TRADE			
Raw and packing materials	8.1	48,244,279	80,672,780
Work-in-process		16,506,109	28,079,306
Finished goods		168,420,018	118,838,483
Waste stock		668,310	440,910
		233,838,716	228,031,479
8.1 Raw and packing materials			
In hand		48,244,279	72,337,421
In transit		-	8,335,359
		48,244,279	80,672,780
9 TRADE DEBTS			
<i>Unsecured</i>			
Considered good		208,298,549	259,094,056
		208,298,549	259,094,056
10 LOANS AND ADVANCES			
Loans to employees - secured	10.1	5,352,152	3,299,200
Advance against purchase of Land		-	10,000,000
Unsecured advances to:			
- Contractors		926,887	300,000
- against imports and local purchases		25,811,449	16,331,647
		26,738,336	16,631,647
		32,090,488	29,930,847
10.1	These represent interest free loans to employees for personal use in accordance with the Group's policy and are secured against balance of gratuity fund. These are recoverable in equal monthly installments.		

	Note	2017 Rupees	2016 Rupees
11 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposits		489,495	108,000
Prepayments		1,784,450	729,265
		<u>2,273,945</u>	<u>837,265</u>
12 OTHER RECEIVABLES			
Sales tax refundable		26,941,286	14,572,625
Others		807,679	1,582,281
		<u>27,748,965</u>	<u>16,154,906</u>
13 CASH AND BANK BALANCES			
<i>With banks - Conventional banking</i>			
- in current accounts		502,265	2,207,067
- in PLS accounts		-	-
		502,265	2,207,067
<i>With banks - Islamic banking</i>			
- in current accounts		5,012,655	14,905,594
- in PLS accounts	13.1	2,529,414	22,457,750
		7,542,069	37,363,344
Cash in hand		974,583	495,128
		<u>9,018,917</u>	<u>40,065,539</u>

13.1 These carry profit at the average rate of 3.95 % per annum (2016: 4.08 % per annum).

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2017 No. of shares	2016 No. of shares	Note	2017 ----(Rupees)----	2016 ----(Rupees)----
4,000,000	4,000,000	Ordinary shares of Rs.10/- fully paid cash	40,000,000	40,000,000
4,593,750	4,593,750	Ordinary shares of Rs.10/- issued as fully paid bonus shares	45,937,500	45,937,500
<u>8,593,750</u>	<u>8,593,750</u>		<u>85,937,500</u>	<u>85,937,500</u>

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	Note	2017 Rupees	2016 Rupees
15 LONG-TERM MUSHARAKA			
<i>Secured - Under shariah arrangement</i>			
Meezan Bank Limited		-	211,501
Habib Metropolitan Bank Limited	15.1	134,513,894	40,072,158
Standard Chartered Bank	15.2	66,641,619	77,375,106
Less: Current portion		(64,258,253)	(49,422,617)
		136,897,260	68,236,148

DIMINSHING MUSHARAKA DISCLOSURE

Date of Disbursement	Nature of Asset	Amount Disbursed	Profit Rate	Floor	Ceiling	Principal Outstanding as at June 30, 2017	Ending Date
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15.1 HABIB METROPOLITAN BANK:

27-Dec-13	Spare parts spindle bolster	2,779,814	6M KIBOR + 2%	12%	18%	450,783	26-Nov-17
12-Dec-13	Ring spinning frame	6,269,240	6M KIBOR + 2%	12%	18%	1,016,631	29-Nov-17
02-Jan-14	Generator WAUKESHA	31,121,334	6M KIBOR + 2%	12%	18%	3,084,096	17-Sep-17
10-Jan-14	Spare parts steel ring & rubber apron	1,258,414	6M KIBOR + 2%	12%	18%	204,067	26-Nov-17
12-Sep-15	Generator WAUKESHA	30,295,680	6M KIBOR + 2%	10%	17%	11,781,652	12-Jul-18
28-Oct-16	Generator WAUKESHA Model VHP5904LTD	30,716,842	6M KIBOR + 2%	7.5%	14%	28,669,054	02-Feb-22
16-Feb-17	4 SETS DRAWFRAMES RIETER	25,204,480	6M KIBOR + 2%	7.5%	14%	25,204,480	20-Mar-22
02-Feb-17	14 sets complete ring spinning frames	55,442,587	6M KIBOR + 2%	7.5%	14%	55,442,587	09-Apr-22
07-Apr-17	Generator WAUKESHA Model VHP5904LTD	8,660,544	6M KIBOR + 2%	7.5%	14%	8,660,544	22-May-22

134,513,894

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15.2 STANDARD CHARTERED BANK:

02-Sep-14	Cool chain machinery, Racking Door ect	12,324,623	1M KIBOR + 2%	-	-	684,723	27-Aug-17
22-Apr-16	Steel Bulding for AZ	12,445,000	1M KIBOR + 1.75%	-	-	9,126,336	22-Apr-19
22-Apr-16	Civil work for AZ	18,000,000	1M KIBOR + 1.75%	-	-	13,200,000	23-Apr-19
23-Apr-16	Steel Bulding for AZ	10,900,000	1M KIBOR + 1.75%	-	-	7,993,336	24-Apr-19
11-May-16	KVA, Wooden pallets, Cool chain machinery and equipment , Local purchases and Steel building for AZ	27,000,000	1M KIBOR + 1.75%	-	-	20,700,000	11-May-19
23-Aug-16	Reach Truck R20S	8,740,000	1M KIBOR + 1.75%	-	-	6,312,220	23-Aug-19
08-Sep-16	Racking	11,500,000	1M KIBOR + 1.75%	-	-	8,625,004	08-Sep-19

66,641,619

15.3 Securities for the above diminishing musharaka facilities include exclusive charge over the assets financed by the respective banks and personal guarantees of the directors.

	Note	2017 Rupees	2016 Rupees
16 DEFERRED LIABILITIES			
Provision for compensated absences	16.1	1,591,927	1,386,068
Deferred taxation	16.2	17,477,772	35,996,588
Staff retirement benefits	16.3	23,214,827	9,035,404
		42,284,526	46,418,060
16.1 Provision for compensated absences			
Balance at beginning of the year		1,386,068	1,243,538
Charge for the year		918,932	952,568
Benefits paid during the year		(713,073)	(810,038)
Balance at end of the year		1,591,927	1,386,068
16.2 Deferred taxation			
Deferred tax (asset) / liability on account of:			
- accelerated depreciation		51,338,312	37,340,569
- unused tax losses and credits		(29,034,853)	-
Remeasurement of defined benefit plans - O.C.I component		(4,825,687)	(1,343,981)
		17,477,772	35,996,588
16.3 Staff retirement benefits			
Balance sheet Reconciliation			
Present value of defined benefit obligation	16.4.2	(97,912,461)	(52,499,381)
Fair value of plan assets	16.4.3	74,697,634	43,463,977
		(23,214,827)	(9,035,404)

	Note	2017 Rupees	2016 Rupees
16.4 Movement			
Balance at beginning of the year		(9,035,404)	36,807,761
Expense for the year	16.4.1	(5,470,481)	(1,123,275)
Other comprehensive income		(11,231,311)	(44,719,890)
Contribution		2,522,369	-
Balance at end of the year		<u>(23,214,827)</u>	<u>(9,035,404)</u>
16.4.1 Charge for defined benefit plan			
Current Service cost		5,348,029	3,366,531
Interest cost		122,452	(2,243,256)
		<u>5,470,481</u>	<u>1,123,275</u>
The charge for the year has been allocated as follows:			
Cost of sales and services:			
Manufacturing and service expenses		3,020,921	174,023
Fuel and power		225,740	488,121
		3,246,661	662,144
Distribution costs		330,741	85,228
Administrative expenses		1,893,079	375,903
		<u>5,470,481</u>	<u>1,123,275</u>
16.4.2 Movement in the present value of defined benefit obligations			
Balance at beginning of the year		52,499,381	40,091,714
Current service cost		5,348,029	3,366,531
Interest cost		3,273,590	3,833,159
Benefits paid during the year		(14,692,827)	(1,554,531)
Benefits paid by the holding company on behalf of the fund		13,773,101	-
Paid to the holding company		27,600,000	(27,600,000)
Actuarial loss		10,111,187	34,362,508
Balance at end of the year		<u>97,912,461</u>	<u>52,499,381</u>
16.4.3 Movement in the fair value of plan assets			
Balance at beginning of the year		43,463,977	76,899,475
Expected return on plan assets		3,151,138	6,076,415
Amount paid by holding company to the fund		2,522,369	-
Benefits paid		(919,726)	(1,554,531)
Loan Amount recovered from holding company		27,600,000	-
Amount received by the holding company from the fund		-	(27,600,000)
Actuarial loss		(1,120,124)	(10,357,382)
Balance at end of the year		<u>74,697,634</u>	<u>43,463,977</u>

	Note	2017 Rupees	2016 Rupees
16.4.4 Remeasurement recognised in other comprehensive income			
Remeasurement of present value of defined benefit obligation		(10,111,187)	(34,362,508)
Remeasurement of present value of fair value of plan assets		(1,120,124)	(10,357,382)
Remeasurements		(11,231,311)	(44,719,890)

16.4.5 Principal actuarial assumptions used in the actuarial valuation

Actuarial valuation of the scheme is carried on every year and the latest actuarial valuation was carried out at June 30, 2017. The significant assumptions used for actuarial valuation were as follows:

	2017 Moderate	2016 Moderate
Withdrawal Rates		
Mortality Rates	Adjusted SLIC 2001-05	Adjusted SLIC 2001-05
Expected rate of increase in future salaries - per annum	7.75%	7.25%
Discount rate - per annum	7.75%	7.25%
Expected rate of return on plan assets	7.75%	7.25%
Normal Retirement age	60 years	60 years

16.4.6 Comparison for five years

	2017	2016	2015	2014	2013
As at June 30,					
Present value of defined benefit obligations	97,912,461	52,499,381	40,091,714	31,291,361	21,894,564
Fair value of plan assets	(74,697,634)	(43,463,977)	(76,899,475)	(58,407,349)	(23,026,256)
Deficit / (Surplus)	23,214,827	9,035,404	(36,807,761)	(27,115,988)	(308,098)
Re-measurement Loss/(Gain) on Obligation	10,111,187	34,362,508	3,409,215	1,221,234	(1,868,405)
Re-measurement Loss / (Gain) on Plan Asset	1,120,124	10,357,382	(13,062,862)	(16,368,523)	8,842,313
Other Comprehensive Income	11,231,311	44,719,890	(9,653,647)	(15,147,289)	(10,710,718)

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16.4.7 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to change in the unit credit method assumptions is;

Particulars	PVDBO (Amount of PKR)	PVDBO change (%)
Current Liability	56,539,360	
+1% Discount Rate	52,617,452	-6.94%
-1% Discount Rate	61,052,093	7.98%
+1% Salary Increase Rate	61,253,231	8.34%
-1% Salary Increase Rate	52,375,526	-7.36%
+10% Withdrawal Rate	56,539,360	0.00%
-10% Withdrawal Rate	56,539,360	0.00%
1 Year Mortality age set back	56,539,360	0.00%
1 Year Mortality age set forward	56,539,360	0.00%

16.4.8 Major categories / composition of plan assets

Equity securities and units of mutual funds	44,223,827	43,463,977
Bank balances	30,473,807	-
	<u>74,697,634</u>	<u>43,463,977</u>

* The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date.

The return on plan assets was assumed to equal the discount rate. Actual return on plan assets during the year was Rs. 1,120,124/- (2016: Loss Rs.2,882,351/-)

17 TRADE AND OTHER PAYABLES

Creditors		49,805,616	25,573,922
Accrued expenses		40,255,711	21,897,056
Gas Infrastructure Development Cess (GIDC)	17.1	42,880,091	32,720,594
Workers' Profits Participation Fund	17.2	14,384,556	18,580,042
Workers' Welfare Fund		-	1,705,929
Sales tax payable		821,031	2,247,699
Unclaimed dividend		1,970,535	1,869,184
Payable to gratuity fund	17.3	-	27,600,000
Others		5,171,711	1,299,630
		<u>155,289,251</u>	<u>133,494,057</u>

17.1 Government of Pakistan had increased Gas Infrastructure Development Cess (GIDC) with effect from July, 2012 from Rs.13/- per MMBTU to Rs.100/- per MMBTU. Then on September 7, 2012 a new notification was issued and GIDC was fixed at Rs.50/- per MMBTU. This action was challenged vide CP No.2726/2012 in the Islamabad High Court and stay was obtained for the levy of the incremental GIDC. However, as a prudent policy, the holding company has already provided the incremental liability.

	Note	2017 Rupees	2016 Rupees
17.2 Workers' Profit Participation Fund			
Balance at beginning of the year		18,580,042	18,603,266
Payments made during the year		(4,489,288)	(5,616,000)
		<u>14,090,754</u>	<u>12,987,266</u>
Allocation for the year		-	4,489,288
Finance charge on WPPF		293,802	1,103,489
Balance at end of the year		<u>14,384,556</u>	<u>18,580,042</u>

17.3 The holding company had utilized and retained the above amount from the Gratuity Fund for Company's business without charging interest thereon.

18 FINANCE COST PAYABLE

Accrued morabaha profit		7,546,271	6,953,687
Accrued diminishing musharaka profit		1,875,483	210,310
		<u>9,421,754</u>	<u>7,163,997</u>

19 LOANS FROM DIRECTORS AND ASSOCIATES - unsecured

Borrowings from directors	19.1	78,130,000	36,844,435
Borrowings from associates		22,560,000	-
		<u>100,690,000</u>	<u>36,844,435</u>

19.1 This represents short-term interest free borrowings from directors to meet working capital requirements.

20 SHORT-TERM MORABAHA

Secured - Under shariah arrangement

Habib Metropolitan Bank Morabaha	20.1	285,622,078	257,168,384
Standard Chartered Bank Morabaha	20.2	112,151,799	126,176,978
		<u>397,773,877</u>	<u>383,345,362</u>

20.1 Short-term Morabaha arrangement had been obtained from a commercial bank for the regular purchases of raw material. The banks has approved a facility of Rs.300 (2016: Rs.270 million). The effective rate of profit on Morabaha facility ranges between 7.98% to 8.17% , based on 6 months KIBOR + 2.00% per annum. The arrangement is secured against first charge over stocks and receivables, land, building and plant & machinery (except assets financed under diminishing musharaka by another financial institution) located at H.I.T.E., Hub, Baluchistan, execution of promissory notes and personal guarantees of three directors of the holding company.

- 20.2** Short-term Murabaha arrangement has been obtained for the regular purchases of raw material. The bank has approved limit of Rs.134 million (2016:Rs 134 million). The effective rate of profit on Murabaha facility ranges between 7.50% to 7.64% (based on 3 months KIBOR + 1.75% per annum). The arrangement is secured against first charge over Stocks and receivables, Land, Building and Plant & Machinery (except assets financed under Diminishing Mushareka by another financial institution) located at H.I.T.E., Hub, Baluchistan, execution of promissory notes and personal guarantees of three directors of the holding company.

	Note	2017 Rupees	2016 Rupees
21 CONTINGENCIES AND COMMITMENTS			
21.1 Commitments			
Irrevocable letter of credits		105,348,897	29,639,634
Letter of guarantee issued by a commercial bank		22,861,098	20,638,018
Custom duty, sales tax, FED and Income tax on goods in transit		164,199	727,990
21.2 Contingencies			
There were no contingencies as at balance sheet date. (2016: nil).			
22 TURNOVER			
Textile			
Manufacturing			
- local		1,434,780,105	1,595,434,579
- export			
Trading		82,409,861	22,370,155
Waste stock		7,783,815	4,295,570
		1,524,973,781	1,622,100,304
Less: Commission and discounts		(433,215)	(2,082,197)
<i>Cold storage</i>		201,038,854	163,127,178
Food stuff division			
- local		2,602,695	7,972,377
		1,728,182,115	1,791,117,662

	Note	2017 Rupees	2016 Rupees
23 COST OF SALES AND SERVICES			
Raw and packing material consumed			
Opening stock		72,337,421	112,715,098
Purchases		1,031,456,758	994,008,451
Closing stock		(48,244,279)	(72,337,421)
		1,055,549,900	1,034,386,128
Manufacturing and services expenses			
Fuel and power	23.1	212,711,386	201,249,954
Salaries, wages and benefits		274,449,418	249,966,547
Services procured		16,017,618	16,414,839
Repairs and maintenance		69,866,085	58,002,703
Insurance		5,508,808	4,758,686
Rent, rates and taxes		5,895,455	569,487
Depreciation	7.2	49,457,908	44,094,865
Security		4,928,209	4,158,403
Others		18,825,060	17,643,933
		657,659,947	596,859,417
		1,713,209,847	1,631,245,545
Work-in-process			
Opening		28,079,306	24,105,087
Closing		(16,506,109)	(28,079,306)
		11,573,197	(3,974,219)
Finished goods and waste stock			
Opening		119,279,393	105,758,486
Closing		(169,088,328)	(119,279,393)
		(49,808,935)	(13,520,907)
		1,674,974,109	1,613,750,419

M3

	Note	2017 Rupees	2016 Rupees
23.1 FUEL AND POWER			
Generation cost:			
Salaries, wages and benefits		392,213	2,927,246
Fuel expenses		144,735,534	133,559,199
Electricity		31,224,216	24,946,851
Oil and lubricants		5,415,321	16,716,791
Generator rent expense		5,320,000	-
Generator operation and maintenance		5,636,004	-
Repairs and maintenance		5,835,425	8,622,867
Depreciation	7.2	13,192,292	13,620,830
Insurance		591,820	565,403
Electricity duty		268,561	268,297
Others		100,000	21,470
		<u>212,711,386</u>	<u>201,249,954</u>
24 DISTRIBUTION EXPENSES			
Salaries, wages and benefits		3,775,244	3,942,422
Packing and forwarding expenses		9,296,199	6,714,532
Communication		295,254	391,562
Sales promotion expenses		775,969	61,520
Depreciation	7.2	20,601	20,601
Fees and subscription		196,080	-
		<u>14,359,347</u>	<u>11,130,637</u>
25 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		22,816,941	17,843,546
Printing and stationery		400,211	413,192
Legal and professional charges		4,036,960	2,508,853
Fees and subscription		862,477	1,640,251
Travelling and conveyance		318,073	896,173
Repairs and maintenance		1,473,527	1,968,570
Rent rates and taxes		7,756,000	5,470,000
Depreciation	7.2	8,829,247	5,140,425
Security expenses		522,233	483,363
Electricity and gas		1,198,144	1,405,772
Insurance		310,885	390,334
Miscellaneous		1,170,229	764,610
		<u>49,694,927</u>	<u>38,925,089</u>

	Note	2017 Rupees	2016 Rupees
26 OTHER INCOME			
<i>Income from non financial assets:</i>			
Gain on disposal of fixed assets		3,736,496	2,016,550
<i>Income from financial assets:</i>			
Return on deposits - from islamic side of bank		380,946	1,258,858
		<u>4,117,442</u>	<u>3,275,408</u>
27 OTHER OPERATING EXPENSE			
Workers' Profit Participation Fund		-	4,489,288
Auditors' remuneration	27.1	654,100	496,751
Workers Welfare Fund		-	1,705,929
		<u>654,100</u>	<u>6,691,968</u>
27.1 Auditors' remuneration			
Audit fee		654,100	496,751
Out of pocket expenses		-	-
		<u>654,100</u>	<u>496,751</u>
28 FINANCE COSTS			
<i>Markup on short term loan - Shariah arrangement</i>			
Profit on morabaha		32,012,877	31,544,462
Profit on diminishing musharaka		10,941,883	7,102,285
		<u>42,954,760</u>	<u>38,646,747</u>
Morabaha documentation charges		119,598	52,613
Guarantee commission		-	279,458
Local L/C charges		222,850	-
Bank charges		173,845	259,082
Finance charge on WPPF		293,802	1,103,489
Exchange fluctuation charges		25,859	-
		<u>43,790,714</u>	<u>40,341,388</u>
29 TAXATION			
Current		678,644	15,796,011
Prior		(588,587)	(30,595)
Deferred		(15,037,109)	3,055,790
		<u>(14,947,052)</u>	<u>18,821,206</u>

	2017 Rupees	2016 Rupees
29.1 Reconciliation of accounting profit and tax expense		
Accounting (loss) / profit	-	83,553,569
Tax rate	31%	32%
Tax on accounting profit at applicable rate	-	26,737,142
Tax effect of expenses not allowed for tax	-	-
Tax effect of income assessed under Final Tax Regime	-	-
Prior year adjustment	-	(30,595)
Effect of tax rebate	-	(6,858,237)
Effect of change in tax rate	-	(1,027,104)
	-	18,821,206

29.2 The income of the holding company is subject to the minimum tax under section 113 of the Income Tax Ordinance, 2001 due to taxable loss for the year. However, during the year the company availed tax credit for investment in plant and machinery under section 65B of the Income Tax Ordinance, 2001 which has absorbed the minimum tax under section 113 of the Income Tax Ordinance, 2001.

29.3 Section 5A of the Income Tax Ordinance, 2001 states that for tax year 2017 and onwards, a tax shall be imposed at the rate of seven and a half percent of its accounting profit before tax on every public company, other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least forty percent of its after tax profits within six months of the end of the tax year through cash or bonus shares.

30 EARNING PER SHARE - BASIC AND DILUTED

There is no dilutive effect on basic earnings per share of the Group which is based on:

(Loss) / Profit after taxation	(36,226,587)	64,732,363
	(36,226,587)	64,732,363

Number of shares

Weighted average number of shares	8,593,750	8,593,750
Basic and diluted (loss) / earnings per share	(4.22)	7.53

31 WORKING CAPITAL CHANGES

31.1 (Increase) / decrease in current assets

Stock-in-trade	(5,807,237)	27,779,088
Trade debts	50,795,507	(45,082,538)
Loans and advances	(2,159,641)	(16,452,375)
Trade deposits and short term pre-payments	(1,436,680)	690,733
Other receivables	(11,594,059)	(3,743,516)
	29,797,890	(36,808,607)

31.2 Increase in current liabilities

Trade and other payables	<u>21,693,843</u>	<u>46,742,509</u>
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32 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	Chief Executive		Directors		Executives	
	2017	2016	2017	2016	2017	2016
	------(Rupees)-----					
Remuneration	6,100,800	4,000,800	11,761,200	7,861,200	5,301,665	5,404,780
House rent	2,439,120	1,599,120	4,678,680	3,118,680	1,219,077	1,363,700
Retirement benefits	-	558,904	-	1,089,862	-	1,416,560
Utilities	610,080	400,080	1,170,120	780,120	305,328	341,300
	<u>9,150,000</u>	<u>6,558,904</u>	<u>17,610,000</u>	<u>12,849,862</u>	<u>6,826,070</u>	<u>8,526,340</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>	<u>4</u>	<u>4</u>

32.1 In addition, the directors are also provided with the free use of holding company maintained cars and mobile telephone facility principally for business purposes.

32.2 No fee paid to Director for attending Board Meetings during the year. (2016: NIL).

33 TRANSACTIONS / BALANCES WITH RELATED PARTIES

Related parties of the Group comprise of companies with common directorship, retirement fund and directors. Detail of transactions / balances with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Transaction:	Relationship with the Company	2017 Rupees	2016 Rupees
Contribution to the gratuity fund	Employees fund	<u>2,522,369</u>	-
Borrowing from directors and family member	Key management personnel	<u>125,220,000</u>	<u>80,039,385</u>
Repayment to directors and family member	Key management personnel	<u>61,374,435</u>	<u>48,194,950</u>
Director's remuneration	Key management personnel	<u>30,060,000</u>	<u>19,408,766</u>
Rent paid to director's family member	Key management personnel	<u>7,551,000</u>	<u>5,265,000</u>
Borrowing from other associated companies	Associate	<u>11,674,483</u>	-
Repayment to other associated companies	Associate	<u>11,674,483</u>	-
Balances:			
Borrowing from directors and family member	Key management personnel	<u>100,690,000</u>	<u>36,844,435</u>

	2017 Rupees	2016 Rupees
34 FINANCIAL INSTRUMENTS BY CATEGORY		
FINANCIAL ASSETS		
Loans and receivables at amortized cost		
Long-term deposits	3,165,751	1,213,251
Trade debts	208,298,549	259,094,056
Loans and advances	32,090,488	29,930,847
Trade deposits	2,273,945	837,265
Other receivables	27,748,965	16,154,906
Cash and bank balances	9,018,917	40,065,539
	282,596,615	347,295,864
FINANCIAL LIABILITIES		
Financial liabilities at amortized cost		
Long-term musharaka	136,897,260	68,236,148
Trade and other payables	155,289,251	133,494,057
Finance cost payable	9,421,754	7,163,997
Borrowing from Directors and family member	100,690,000	36,844,435
Current portion of long-term musharaka	64,258,253	49,422,617
Short term morabaha	397,773,877	383,345,362
	864,330,395	678,506,616

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to certain financial risk. Such financial risk emanate from various factors that include, but not limited to, market risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on the Group's financial performance. Risk measures and managed by Group are explained below:

35.1 Market risk

Market risk is the risk that the fair value of future cash flows of financial instrument will fluctuate due to changes in market variables such as interest rate and foreign exchange rates,

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings from financial institution with floating interest rates. Management of the Group estimates that increase of 100 base point in the market interest rate, with all other factors remaining constant, would increase/decrease the Group's after tax profit by Rs. 6,083,511 (2016: Rs.4,785,521). However, in practice, the actual result may differ from the sensitivity analysis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transaction in foreign currency. As at June 30, 2017, the Group is not exposed to risk in respect of financial assets or financial liabilities.

35.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash and cash equivalent, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including trade receivables and committed transactions. Out of total financial assets of Rs. 282,596,615 (2016: 347,295,864), the financial assets are subject to credit risk amounted to Rs. 281,622,032 (2016: 346,800,736).

The maximum exposure to credit risk as at June 30, 2017, along with comparatives is tabulated below:

			2017 Rupees	2016 Rupees	
Financial Assets					
Long-term deposits			3,165,751	1,213,251	
Trade debts			208,298,549	259,094,056	
Loans and advances			32,090,488	29,930,847	
Trade deposits			2,273,945	837,265	
Other receivables			27,748,965	16,154,906	
Bank balances			8,044,334	39,570,411	
			<u>281,622,032</u>	<u>346,800,736</u>	
			2017	2016	
			----- (Rupees) -----		
	Bank	Rating agency			
		Short-term Rating			
	Habib Metropolitan Bank	PACRA	A1+	5,402,604	19,908,344
	Meezan Bank Limited	JCR-VIS	A1+	1,892,312	227,291
	Bank Alfalah	PACRA	A1+	512,543	312,391
	United Bank Limited	JCR-VIS	A1+	6,903	388,040
	National Bank of Pakistan	PACRA	A1+	96,170	29,765
	Habib Bank Limited	JCR-VIS	A1+	36,482	-
	Standard Chartered Bank	PACRA	A1+	97,320	18,704,580
			<u>8,044,334</u>	<u>39,570,411</u>	

Due to Group's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group.

35.3 Liquidity risk

Liquidity risk is a risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management believe that it is not expose to any significant level of liquidity risk.

The management forecasts the liquidity of the Group on basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financial liabilities in accordance with their contractual maturities are presented below:

2017	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	------(Rupees)-----				
Musharaka	21,486,433	42,771,820	136,897,260	-	201,155,513
Trade and other payables	155,289,251	-	-	-	155,289,251
Finance cost payable	9,421,753	-	-	-	9,421,753
Borrowing from Directors & Associates	78,325,000	22,365,000	-	-	100,690,000
Short-term morahaba	6,625,816	391,148,061	-	-	397,773,877
Total	271,148,252	456,284,881	136,897,260	-	864,330,394

2016	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	------(Rupees)-----				
Musharaka	17,093,975	32,328,642	68,236,148	-	117,658,765
Trade and other payables	133,494,057	-	-	-	133,494,057
Finance cost payable	7,163,997	-	-	-	7,163,997
Borrowing from Directors & Associates	8,500,000	28,344,435	-	-	36,844,435
Short-term morahaba	187,804,744	195,540,618	-	-	383,345,362
Total	354,056,773	256,213,695	68,236,148	-	678,506,616

35.4 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transactions. Consequently, differences may arise between the carrying value and the fair value estimates.

As at June 30, 2017 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying value.

35.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide return for shareholder and benefits for other stakeholder and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder or issue new shares or sell assets to reduce debt.

The Group manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirement and expectations of shareholder. Debt is calculated at total borrowing ('long term loan' and 'current maturity of the long term loan' as shown in the balance sheet). Total capital comprises shareholders' equity as shown in the balance sheet under 'share capital and reserves':

As at June 30, 2017 and 2016, the Group has surplus cash reserves to meet its requirement and there was no debt position.

	2017	2016
36 CAPACITY AND PRODUCTION		
Number of spindles installed	<u>32,232</u>	<u>30,720</u>
Number of rotors	<u>-</u>	<u>-</u>
Average number of spindles operated during the period	<u>32,000</u>	<u>30,720</u>
Installed production capacity 30/s count - (KGs)	<u>6,746,238</u>	<u>5,780,513</u>
Actual production (KGs)	<u>5,117,870</u>	<u>5,193,630</u>
Number of shifts per day	<u>3</u>	<u>3</u>

37 SEGMENTAL INFORMATION

For management purposes, the Group has identified three operating segments:

1. Textile - manufacturing and sale of man-made blended yarn;
2. Cold storage - providing services in respect of cold storage through "compartmentalized cold store project"; and
3. Food stuff - processing of "ready to eat" meals.

The operating business are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

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2017

	Textile	Cold Storage	Food Stuff	Total
------(Rupees)-----				
Turnover	1,524,540,566	201,038,854	2,602,695	1,728,182,115
Cost of sales and services	(1,512,590,542)	(161,675,720)	(707,847)	(1,674,974,109)
Gross profit	11,950,024	39,363,134	1,894,848	53,208,006
Distribution costs	(11,601,038)	(2,758,309)	-	(14,359,347)
Administrative expenses	(43,265,517)	(6,357,690)	(71,720)	(49,694,927)
Other income	3,812,786	304,656	-	4,117,442
Operating loss	(39,103,745)	30,551,792	1,823,128	(6,728,825)
Finance costs	(37,227,891)	(6,559,600)	(3,223)	(43,790,714)
Other operating expense	(577,024)	(76,091)	(985)	(654,100)
Loss before taxation	(76,908,660)	23,916,101	1,818,920	(51,173,639)
Taxation	21,692,815	(6,745,762)	-	14,947,052
Loss after taxation	(55,215,845)	17,170,338	1,818,920	(36,226,587)
OTHER INFORMATION				
Segment assets	793,265,209	322,480,771	4,902,649	1,120,648,629
Unallocated assets				74,950,533
Total assets				1,195,599,162
Segment liabilities	646,142,506	131,248,009	-	777,390,515
Unallocated liabilities				129,224,406
Total liabilities				906,614,921
Capital expenditure	176,742,458	120,846,506	1,490,324	299,079,288
Unallocated capital expenditure				-
Total capital expenditure				299,079,288
Depreciation	36,398,905	34,403,546	697,590	71,500,041

2016

	Textile	Cold Storage	Food Stuff	Total
------(Rupees)-----				
Turnover	1,620,018,107	163,127,178	7,972,377	1,791,117,662
Cost of sales and services	(1,491,533,211)	(114,434,314)	(7,782,894)	(1,613,750,419)
Gross profit	128,484,896	48,692,864	189,483	177,367,243
Distribution costs	(10,028,526)	(1,102,036)	(75)	(11,130,637)
Administrative expenses	(35,026,911)	(3,720,435)	(207,743)	(38,955,089)
Other income	2,101,502	1,173,906	-	3,275,408
Operating profit	85,530,961	45,044,299	(18,335)	130,556,925
Finance costs	* (38,829,697)	(1,511,692)	-	(40,341,388)
Other operating expense	(6,617,380)	(42,510)	(2,078)	(6,661,968)
Profit before taxation	40,083,885	43,490,098	(20,413)	83,553,569
Taxation	(9,031,952)	(9,789,254)	-	(18,821,206)
Profit after taxation	31,051,933	33,700,844	(20,413)	64,732,363
OTHER INFORMATION				
Segment assets	720,222,872	278,942,243	4,129,915	1,003,295,030
Unallocated assets				84,668,204
Total assets				1,087,963,234

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Segment liabilities	507,629,729	83,648,076	-	591,277,805
Unallocated liabilities				133,646,871
Total liabilities				724,924,676
Capital expenditure	34,018,100	141,301,701	-	175,319,801
Unallocated capital expenditure				
Total capital expenditure				175,319,801
Depreciation	35,475,948	26,777,699	623,074	62,876,721

38 NUMBER OF EMPLOYEES

	2017	2016
Number of employees at 30 June	<u>313</u>	<u>189</u>
Average number of employees during the year	<u>220</u>	<u>185</u>

39 CORRESPONDING FIGURES

Corresponding figures and balances have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

40 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on September 20, 2017 have proposed a cash dividend of Rs. Nil (2016: 3.50) per share amounting to Rs. Nil/- (2016: Rs.30,078,125/-).

41 GENERAL

Amounts have been rounded off to the nearest rupee.

42 DATE OF AUTHORISATION FOR ISSUE

20 SEP 2017

These financial statements were authorised for issue on _____ by the Board of Directors of the holding company.


(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

**PATTERN OF HOLDING OF THE SHARES
HELD BY THE SHAREHOLDERS
as at 30 June 2017**

No. of Shareholders	Shareholdings			Total Shares Held
	FROM		TO	
129	1	to	100	2,405
162	101	to	500	45,329
70	501	to	1,000	61,038
127	1,001	to	5,000	316,208
37	5,001	to	10,000	280,277
9	10,001	to	15,000	104,473
11	15,001	to	20,000	194,184
1	20,001	to	25,000	24,127
1	25,001	to	30,000	26,945
1	30,001	to	35,000	31,000
2	35,001	to	40,000	73,690
2	40,001	to	45,000	83,000
1	45,001	to	50,000	46,125
1	50,001	to	55,000	54,648
3	55,001	to	60,000	169,890
1	65,001	to	70,000	68,000
1	75,001	to	80,000	78,531
1	85,001	to	90,000	89,062
1	90,001	to	95,000	94,853
2	95,001	to	100,000	196,475
1	105,001	to	110,000	107,146
2	215,001	to	220,000	433,966
1	295,001	to	300,000	297,441
1	300,001	to	305,000	304,940
1	395,001	to	400,000	396,570
1	420,001	to	425,000	423,001
1	2,265,001	to	2,270,000	2,269,372
1	2,320,001	to	2,325,000	2,321,056
572				8,593,750

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARES	
		HELD	PERCENTAGE
Financial Institutions	2	38,843	0.45%
Individuals	561	8,076,266	93.98%
General Public Foreign	1	213	0.00%
Public Sector Cos/Corp	2	35,254	0.41%
Mutual Funds	1	423,001	4.92%
Others	5	20,173	0.23%
TOTALS	572	8,593,750	100.00%

The above two statements include 572 Shareholders, holding 8,593,750 shares through the Central Depository Company of Pakistan Limited (CDC)

		Number	Total shares	%age	
<u>Directors, CEO and their Spouse and Minor Children (Name-wise)</u>					
(1)	Mr. Mohammed Younus Nawab	Chairman / Director	1	2,321,056	27.01%
(2)	Mr. Mohammed Irfan Nawab	Chief Executive	1	2,269,372	26.41%
(3)	Mr. Ibrahim Younus	Director	1	24,127	0.28%
(4)	Mr. Mohammed Faizanullah	Director	1	19,437	0.23%
(5)	Mr. Ismail Younus	Director	1	7,616	0.09%
(6)	Mr. Mohammad Khalid Yousuf	Director	1	107,146	1.25%
(7)	Mrs. Sabiha Younus	Spouse	1	396,570	4.61%
(8)	Mrs. Afshan Irfan	Spouse	1	89,062	1.04%
<u>Associated Companies, Undertakings and related parties (Name-wise)</u>					
			None	None	None
<u>Executives</u>					
			None	None	None
<u>Public Sector Companies and Corporations</u>					
			2	35,254	0.41%
<u>Banks, DFIs, NBFIs, Insurance Companies, Takaful, Modarabas & Pension Funds</u>					
			2	38,843	0.45%
<u>Mutual Funds</u>					
			1	423,001	4.92%
<u>General Public (Local)</u>					
			553	2,841,880	33.07%
<u>General Public (Foreign)</u>					
			1	213	0.00%
<u>Others</u>					
			5	20,173	0.23%
			547	8,593,750	100.00%
<u>Shareholders holding 5% or more</u>					
(1)	Mr. Mohammed Younus Nawab		1	2,321,056	27.01%
(2)	Mr. Mohammed Irfan Nawab		1	2,269,372	26.41%

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 _____

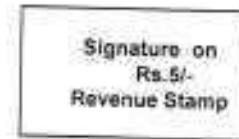
as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 32nd Annual General Meeting
scheduled to be held on 20th October, 2017 or at any adjournment thereof.

Signed this _____ day of _____ 2017

Signature of Proxy _____

Folio No. of Shareholder _____

No. of Shares held _____



Signature of Shareholder _____

WITNESSES

(1) Signature _____

Name _____

CNIC No. _____

Address _____

(2) Signature _____

Name _____

CNIC No. _____

Address _____

NOTES:

- A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf. A Proxy need not be a member of the Company.
- If a member is unable to attend the meeting, they may complete and sign this form and send it to the Company Secretary, Sana Industries Limited, 33-D-2, Block-6, P.E.C.H.S., Karachi, so as to reach not less than 48 hours before the time appointed for holding the meeting.
- The Proxy form shall be witnessed by two persons whose names, addresses and NIC / Passport numbers shall be stated on the form.
- Attested copies of NIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- The proxy shall produce his original NIC or original passport at the time of the meeting.
- In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.