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COMPANY INFORMATION

Board of Directors

Mr. Mohammed Younus Nawab	- Chairman
Mr. Ibrahim Younus	- Director
Mr. Ismail Younus	- Director
Mr. Mohammed Faizanullah	- Director
Mr. Ilyas Abdul Sattar	- Director
Mr. Mohammed Khalid Yousuf	- Director
Hafiz Mohammed Irfan Nawab	- Chief Executive

Audit Committee

Mr. Mohammed Khalid Yousuf	- Chairman
Mr. Ilyas Abdul Sattar	- Member
Mr. Abdul Hameed	- Member
Mr. Mohammed Faizanullah	- Member and Secretary

Registered Office

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

Auditors

Muniff Ziauddin & Co.	
Chartered Accountants	
F/17/3, Business Executive Centre	
Block 8, Clifton,	
Karachi.	
Phone	: 35375127 - 28
Fax	: 35820325

Bankers

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

H.R. & Remuneration Committee

Mr. Mohammed Khalid Yousuf	- Chairman
Mr. Ilyas Abdul Sattar	- Member
Mr. Ibrahim Younus	- Member

C.F.O./Company Secretary

Mr. Abdul Hussain Antaria

Mills

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

Legal Advisors

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

Share Registrars

Central Depository Co. of Pakistan Ltd.	
Share Registrar Department	
CDC House, 99-B, Block B, S.M.C.H.S.,	
Karachi.	
Phone	: 111-111-500
Fax	: 34326027

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of the Shareholders of the Company will, Insha-Allah be held on Friday, the 20th of October, 2017 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 read and confirm the minutes of Extra Ordinary General Meeting held on 3rd March, 2017.
- (2) To receive and adopt the Audited accounts of the Company for the year ended 30th June, 2017, together with the Auditors' Report and Directors' Report thereon.
- (3) To appoint Auditors of the Company and fix their remuneration for the year ended 30th June, 2018. The present Auditors M/s. Muniff Ziauddin & Co. Chartered Accountants retire and being eligible, offer themselves for re-appointment.
- (4) To transact any other business with the permission of the Chair.

By Order of the Board


(Abdul Hussain Anfarfa)
CFO & Company Secretary

Karachi, 20th September, 2017

NOTES

1. The share transfer books of the Company shall remain closed from 13-Oct-2017 to 20-Oct-2017 (both days inclusive), and the final dividend will be paid to the Shareholders whose names will appear in the Register of Members on 12-Oct-2017.
2. 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.
3. Duly completed Forms of Proxy must be deposited with the Company Secretary at the office of the Company situated at 33-D-2, Block-6, P.E.C.H.S., Karachi (Phone No 34322556-59) not later than 48 hours before the time of meeting.
4. Shareholders (Non CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s. Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House 99-B, Block B, SMCHS, Karachi. All the Shareholders holding their shares through the CDC are requested to please update their addresses and Zakat with their Participants. This will assist in prompt receipt of Dividend.
5. Members who have not yet submitted photocopy of their Computerized National Identity Card to the Company are requested to send the same at the earliest.
6. 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.

REVIEW REPORT BY THE CHAIRMAN

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 2017, the Board's overall performance and effectiveness has been assessed as satisfactory, which is based on an evaluation of integral components including vision, mission and values.

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

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

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


(Mohammed Younus Nawab)
Chairman

Karachi: 20th September, 2017.

DIRECTORS' REPORT

The Directors take pleasure in submitting their Report together with the Audited Accounts of the Company for the year ended 30th June, 2017.

As discussed and approved in the Extra-Ordinary General Meeting of the Company held on 3rd March, 2017, the Company has branched out its Cold Store business to its subsidiary "Sana Logistics (Pvt) Limited" (formerly "Sana Greens (Pvt) Limited") from 1st April, 2017, and also as discussed, the Company has acquired 3,010,000 additional shares on 27-7-2017 and currently holds 70% of the total holding of Sana Logistics (Pvt) Limited.

FINANCIAL RESULTS

The Consolidated Financial Results of the Company for the year ended 30th June, 2017 are summarized below:-

	Rupees
Loss for the period before taxation	(51,173,639)
Less: Provision for taxation- current	-
- prior years	588,587
- deferred (current)	14,358,465
	<u>14,947,052</u>
(Loss)/Profit after taxation	<u>(36,226,587)</u>
Earning per Share before tax	<u>(5.95)</u>
Earning per share (basic and diluted) after taxation	<u>(4.22)</u>
OTHER COMPREHENSIVE INCOME	
Net (Loss)/Profit for the year	(36,226,587)
Re-measurements of staff employment benefit	(11,231,311)
Related deferred tax	3,481,706
	<u>(7,749,605)</u>
Total comprehensive income for the year	<u>(43,976,191)</u>

The consolidated profit before taxation for the current year has registered a decrease of Rs.134.73 million from a profit of Rs.83.55 million to a loss of Rs.51.17 million, the profit after taxation has also decreased from a profit of Rs. 64.73 million to a loss of Rs.36.23 million, a decrease of Rs.100.96 million. Provision of current year's deferred taxation amounting to Rs.14.36 million has been reversed. The earnings per Share has decreased from Rs.7.53 to (Rs.4.22), a decrease of Rs.11.75 (156.04%), due to various reasons enumerated in the following paras. In order to facilitate our Shareholders following comparisons of operating and financial data are annexed.

- | | |
|---|---------|
| (a) Comparison with last year | Annex-A |
| (b) Comparison with previous quarter | Annex-B |
| (c) Quarter-wise comparison of Balance Sheets | Annex-C |
| (d) Quarter-wise comparison of Profit & Loss accounts | Annex-D |
| (e) Statistical summary of key operating and financial data of last 8 years | Annex-E |

The salient features for the year under review, of 'Textile Segment', are as under:

- (1) Sales of Yarn, in Rupee terms, has registered a decrease of Rs.155.51 million (9.73%), due to decrease in quantity sold, in quantitative terms it has decreased by 183,845 Kilos (3.58%). The Gross Profit amount has also decreased by Rs.116.34 million (90.70%), GP Rate has decreased by 7.15% due to decrease in selling price of yarn. The net profit, before taxation, of Rs.40.08 million has also been converted into a loss of Rs.76.93 million, a decrease of Rs.117.02 million.
- (2) The production of Yarn, in quantitative terms has also decreased from 5,193,630 Kilos to 5,117,870 Kilos i.e., by 75,760 Kilos (1.46%), due to manufacturing of finer counts.
- (3) The average cost of raw-materials consumed has decreased by Rs.7.42 Per Kilo (3.84%) due to international decrease in prices of raw-materials.
- (4) The cost of manufacturing over heads has increased from Rs.93.30 per Kilo to Rs.96.77 per Kilo (3.72%), significant increase / decreases on this account are attributed to the following heads:
 - (a) Salaries and wages decreased by Rs.1.25 million due to lesser production, but on per kilo basis it has increased by 0.37 per Kilo (-0.90%) due to enhanced production.
 - (b) Fuel and Power increased by Rs.9.36 million, and on per kilo basis by Rs.2.35 Per Kilo (7.46%).
 - (c) Repair and maintenance (including stores and spares) increased by Rs.3.63 million or Rs.0.86 per Kilo (8.51%).
- (5) The Selling and Distribution expenses have increased by Rs.1.57 million or Rs.0.33 per kilo.
- (6) The General and Administration expenses have increased by Rs.8.24 million (23.52%) and on per kilo basis by Rs.1.71 per kilo due to increase in salaries, rent and other expenses.
- (7) The financial charges have decreased fractionally by Rs.1.60 million.
- (8) The net profit of last year, before tax (Textile Segment), of Rs.40.08 million has been converted into a net loss of Rs.76.93 million a decrease of Rs.117.02 million.
- (9) The net profit of last year, before tax (Cold Storage segment), of Rs.43.49 million has however decreased to Rs.30.10 million, since it operated for nine months only.
- (10) The 'Consolidated amount of net profit' of last year, before tax of Rs.83.55 million has substantially decreased to a net loss of Rs.51.17 million (161.24%).
- (11) The 'Consolidated amount of net profit' of last year, after tax of Rs.64.73 million has also decreased to a loss of Rs.36.23 million, due to reasons stated in the above para.



(12) The period of trade debts (receivable) has decreased from 43 days to 26 days.

(13) The inventory of raw-materials has decreased from 38 days to 22 days.

(14) The inventory of finished goods has increased from 32 days to 43 days.

Future Prospects

The management has during the course of financial year under review has modernized significant number of machines, which have come into operation in May and June 2017. The new capabilities should create opportunities to explore newer products and markets. With these new capacities being added in both textile and cold storage facilities and if hopefully the market conditions improve the management hopes for improvement in the profitability in the near future.

Board of Directors

The present Board of Directors who were elected on 3rd December, 2016, will continue to hold the office up to 3rd December, 2019.

Auditors

The present Auditors M/s. Muniff Ziauddin & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

Pattern of Holding of Shares

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

Dividend and Notice of Book Closure

Your Directors have decided to skip payment of Cash Dividend, due to the losses occurred this year.

Corporate and Financial Reporting Framework

As required vide Circular No.2(10)SE/SMD/202 dated 28th March, 2002, issued to all Stock Exchanges of Pakistan and listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges, the Board of Directors of Sana Industries Limited confirm that the Company applies the principles contained in the Code in the following manner:

- (1) The financial statement 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.
- (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 as at 30th June, 2016. Following are the significant assumption used for the valuation of scheme

	30-Jun-2017	30-Jun-2016
Valuation discount rate	7.75% p.a	7.25% p.a
Salary increase	7.75% p.a	7.25% p.a
Expected rate of return on Plan Assets	7.75% p.a	7.25% p.a

A statement as to the value of assets / investments of gratuity fund, based on its audited accounts is as under:-

(a) Investment in Shares of listed companies	Rs. 35,244,496/=
(b) Investment in Mutual Funds	Rs. 8,979,331/=
(c) Bank balances	Rs. 30,473,807/=
Total of assets / investments as on 30/6/2017	Rs. 74,697,634/=
	=====

(9) Elections of Directors was held in the Extra-ordinary General Meeting held on 3/12/2016, in accordance with the provisions of Section 178 of the Companies Ordinance, 1984 for a term of three years, commencing from 3/12/2016. A total of 15 Meetings of the Board of Directors were held during the financial year ended 30th June, 2017. Number of Meeting attended by each Directors are stated their against.

Name of Directors	Number of Meeting Attended
(1) Mr. Mohammed Younus Nawab	15 out of 15 meetings
(2) Mr. Mohammed Irfan Nawab	15 out of 15 meetings
(3) Mr. Ibrahim Younus	14 out of 15 meetings
(4) Mr. Ismail Younus	15 out of 15 meetings
(5) Mr. Mohammed Faizanullah	14 out of 15 meetings
(6) Mr. Ilyas Abdul Sattar	13 out of 15 meetings
(7) Mr. Mohammed Khalid Yousof	15 out of 15 meetings

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




DATE OF TRANSACTION	PURCHASER	NO OF SHARES TRANSACTED	RATE /SHARE
PURCHASES:			
20-09-2016	Mr. Mohammad Irfan Nawab	4,241	Rs. 83.26
20-09-2016	Mr. Ibrahim Younus	2,000	Rs. 83.26
20-09-2016	Mr. Muhammad Faizanullah	1,000	Rs. 83.26
20-09-2016	Mst. Afshan Irfan	2,500	Rs. 83.26
08-03-2017	Mr. Ismail Younus	2,100	Rs. 59.00
08-03-2017	Mr. Ibrahim Younus	2,200	Rs. 59.00
08-03-2017	Mr. Muhammad Faizanullah	2,175	Rs. 59.00

Personnel

I would like to place on record my sincere appreciation for the devotion and loyalty of the staff and workers without whose efforts this success could not have been achieved. I look forward to the same devotion and cooperation in the years to come.

On behalf of the Board


(Mohammed Irfan Nawab)
Chief Executive

Karachi, 20th September, 2017.

کارپوریٹ اور سٹیشنل ریور سٹنگ فریم ورک

پاکستان کے تمام اسٹاک ایکسچینوں کو چارٹی کے جانے والے سرگرم نمبر 202 SMD SE (10) 2 مورچہ 28 مارچ 2001 کو سرکاری لاہور اور اسلام آباد اسٹاک ایکسچینوں کے سٹنگ ریگولیشنز کی شرٹوں کے مطابق کاغذ پر منظور ہونے والے ریگولیشنز کے تحت اسٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔

- (1) مابقی کوٹھارے کوٹھارے کے معاملات، اس کے پیچھے کے نئے ریگولیشنز کے تحت اسٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔
- (2) کوٹھارے کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔
- (3) مابقی کوٹھاروں کی جو مابقی میں سٹاک ایکسچینوں کا مستحق اطلاق کیا گیا ہے اور ان کا ذکر تجدید ذات مناسب ہو گا اسٹاک ایکسچینوں کی طرف سے کیا گیا ہے۔
- (4) مابقی کوٹھاروں کی جو مابقی میں سٹاک ایکسچینوں کا مستحق اطلاق کیا گیا ہے اور ان کا ذکر تجدید ذات مناسب ہو گا اسٹاک ایکسچینوں کی طرف سے کیا گیا ہے۔
- (5) اسٹاک ایکسچینوں کا مستحق اطلاق درج ذیل طریقے سے کرتی ہے۔
- (6) کوٹھارے کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔
- (7) سٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔

(8) کوٹھارے کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔

(9) اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔

30 جون 2016	30 جون 2017	دیکھتے ہیں کہ اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔
25 فیصد سالانہ	7.75 فیصد سالانہ	گھٹے ہوئے اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔
25 فیصد سالانہ	7.75 فیصد سالانہ	پانچ فیصد اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔
25 فیصد سالانہ	7.75 فیصد سالانہ	

اس کے تحت اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔

- (a) اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔
- (b) اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔
- (c) اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔

مورچہ 30-06-2017 تک کل 44 قیادت اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔

(9) اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔

اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔

اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔	اسٹاک ایکسچینوں کے معاملات میں سٹاک ایکسچینوں کے درمیان امور کا اطلاق درج ذیل طریقے سے کرتی ہے۔	
15 مئی سے 15 اجلاس	15 مئی سے 15 اجلاس	(1)
15 مئی سے 15 اجلاس	15 مئی سے 15 اجلاس	(2)
15 مئی سے 14 اجلاس	15 مئی سے 14 اجلاس	(3)
15 مئی سے 15 اجلاس	15 مئی سے 15 اجلاس	(4)
15 مئی سے 14 اجلاس	15 مئی سے 14 اجلاس	(5)
15 مئی سے 15 اجلاس	15 مئی سے 15 اجلاس	(6)
15 مئی سے 15 اجلاس	15 مئی سے 15 اجلاس	(7)

نی کی ریکارڈنگ تھی۔ تمام ممالج کی رقم میں بھی 116.34 ملین روپے (90.70%) کی کمی ہوئی اور مذکورہ ممالج کی شرح میں 15 فیصد کمی تھی جس کی وجہ پاکستان کی قیمت فروخت میں کمی ہو چکی۔ مثلاً 2008 میں روپے ہونے لیس ممالج کی رقم میں بھی 76.93 ملین روپے کے نقصان میں تھی اور اس میں 117.02 ملین روپے کی کمی واقع ہوئی۔

(2) نقصان کے بنیادی سببوں کی وجہ سے پاکستان کی درآمدات میں کمی ہوئی جو 5,117,870 کلوگرام سے کم ہو کر 5,193,630 کلوگرام ہوئی جو اس سے کم ہو کر 5,117,870 کلوگرام (1.46%) کی کمی آئی۔ جس کی وجہ سے مجموعی طور پر پاکستان کی درآمدات میں کمی ہوئی۔

(3) پاکستانی ہونے والے ممالج کی درآمدات میں 42 روپے فی کلوگرام (3.84%) کی کمی رہی جس کی وجہ سے ممالج کی قیمتوں میں مادی اضافے کی وجہ سے کمی ہو چکی۔

(4) میٹھا پھل، اور پینڈو، لہسن، اور 93.30 روپے فی کلوگرام سے کم ہو کر 96.77 روپے (3.72%) کی کمی ہوئی۔ اس ضمن میں اس قدر اضافے کی کمی ہے اور پینڈو کی قیمتوں میں کمی ہوئی۔

(5) گھوٹا، لہسن اور پیاز کی درآمدات میں کمی ہوئی جو 1.25 ملین روپے کی کمی واقع ہوئی۔ اس ضمن میں گھوٹا کی قیمتوں میں کمی ہوئی (0.90%) کی کمی آئی۔ جس کی وجہ سے درآمدات میں کمی ہوئی۔

(b) انڈیا کی درآمدات میں 9.16 ملین روپے اور فی کلوگرام 2.35 روپے (7.46%) کا اضافہ ہوا۔

(c) نیپال کی درآمدات میں 3.63 ملین روپے (0.86%) کی کمی ہوئی اور فی کلوگرام (8.51%) کا اضافہ ہوا۔

(5) قیمتوں میں کمی کے باعث درآمدات میں 1.57 ملین روپے یا 0.33 روپے فی کلوگرام اضافہ ہوا۔

(6) ممالج کی درآمدات میں 8.24 ملین روپے (23.52%) کی کمی ہوئی جو کلوگرام 1.71 روپے کا اضافہ ہوا جس کی وجہ سے گھوٹا، لہسن اور پیاز کی قیمتوں میں اضافہ ہوا تھا۔

(7) پاکستان کی درآمدات میں 1.60 ملین روپے کی کمی واقع ہوئی۔

(8) انڈیا کی درآمدات میں 40.08 ملین روپے کی کمی ہوئی اور فی کلوگرام 76.93 ملین روپے کے نقصان میں تھی اور اس میں 117.02 ملین روپے کی کمی واقع ہوئی۔

(9) نیپال کی درآمدات میں 43.49 ملین روپے کی کمی ہوئی اور فی کلوگرام 30.10 ملین روپے کی کمی ہوئی۔ اس ضمن میں نیپال کی درآمدات میں کمی ہوئی۔

(10) گھوٹا، لہسن اور پیاز کی درآمدات میں 83.35 ملین روپے کی کمی ہوئی اور فی کلوگرام 51.17 ملین روپے (161.24%) کا نقصان ریکارڈ کیا گیا۔

(11) گھوٹا، لہسن اور پیاز کی درآمدات میں 64.73 ملین روپے کی کمی ہوئی اور فی کلوگرام 36.23 ملین روپے کی کمی ہوئی۔ اس ضمن میں گھوٹا، لہسن اور پیاز کی قیمتوں میں کمی ہوئی۔

(12) تھائی لینڈ کی درآمدات میں 43 ملین سے کم ہو کر 26 ملین ہوئی۔

(13) نیپال کی درآمدات میں 38 ملین سے کم ہو کر 22 ملین ہوئی۔

(14) نیپال کی درآمدات میں 32 ملین سے کم ہو کر 43 ملین ہوئی۔

آئندہ کی امکانات

پاکستان کی درآمدات میں کمی کے سببوں کی وجہ سے پاکستان کی درآمدات میں کمی ہوئی اور اس میں 117.02 ملین روپے کی کمی واقع ہوئی۔ اس ضمن میں پاکستان کی درآمدات میں کمی ہوئی۔

بورڈ آف ڈائریٹرز

بورڈ آف ڈائریٹرز کا اجلاس 03 ستمبر 2017 کو ہوا اور 03 ستمبر 2019 تک کام کرتا رہے گا۔

آڈیٹرز

آڈیٹرز کی خدمات فراہم کرنے والے آڈیٹرز کی فہرست کے مطابق جن آڈیٹرز کو ہمارے آڈیٹرز کے طور پر منتخب کیا گیا ہے۔

سیکرٹریٹ کا پتہ

اسٹریٹ سیکرٹریٹ، SECP کے رجسٹرڈ آفس، 28-05-2002 میں دفینیشن کے مطابق سیکرٹریٹ کا پتہ پاکستان کی وزارت ہے۔

مستحقہ اور کٹاوتی بند ہونے کا نوٹس

آپ کے لئے ہمارے لئے ملنے والے تمام ممالج کی قیمتوں میں کمی ہوئی اور اس میں 117.02 ملین روپے کی کمی واقع ہوئی۔

Annexure A

Comparison with previous quarter

Covering period FROM TO	01-Apr-2017 30-Jun-2017	01-Jan-2017 31-Mar-2017	VARIATION	
			Amount	Percentage
Turnover - net	400.57	384.98	15.61	4.05%
Cost of Sales	394.96	352.51	42.45	12.04%
Gross Profit	5.60	32.45	(26.84)	-82.73%
G.P. Rate to Sales	1.40%	8.43%		-7.03%
Administrative, Selling, Financial & Other expenses	27.54	24.74	2.81	11.35%
Other income	4.44	0.22	4.22	-
Net (Loss)/profit before taxation	(17.495)	7.94	(25.43)	-320.50%
N.P. Rate to Sales	-4.37%	2.06%		
Provision for Taxation	15.68	1.43	14.25	
Profit after Taxation	(1.61)	9.37	(11.18)	
Earning per share (before tax)	(2.04)	0.92	(2.96)	
Earning per share (after tax)	(0.21)	1.09	(1.30)	

Annexure B

Comparison with last year

Covering period FROM TO	01-Jul-2016 30-Jun-2017	01-Jul-2015 30-Jun-2016	VARIATION	
			Amount	Percentage
Sales - net	1,728.18	431.28	1,296.90	300.71%
Cost of Sales	1,674.97	425.60	1,249.37	293.55%
Gross Profit	53.21	5.68	47.53	836.88%
G.P. Rate to Sales	3.08%	1.32%		1.76%
Administrative, Selling, Financial & Other expenses	108.50	22.44	86.06	383.54%
Other income	4.12	1.26	2.86	
Net (Loss)/profit before taxation	(51.17)	(15.50)	(35.67)	
N.P. Rate to Sales	-2.96%	-3.59%		
Provision for Taxation	14.95	(8.13)	23.08	
Profit after Taxation	(36.23)	(7.37)	(28.86)	
Earning per share (before tax) - restated	(5.95)	(1.80)	(4.15)	
Earning per share (after tax) - restated	(4.22)	(0.86)	(3.36)	

Sau. Industries Limited

Annexure "C"

COMPARISON OF BALANCE SHEET OF FOUR QUARTERS

	1ST QUARTER 30-Sep-2016 Rupees	2ND QUARTER 31-Oct-2016 Rupees	3RD QUARTER 31-Mar-2017 Rupees	4TH QUARTER 30-Jun-2017 Rupees
ASSETS				
NON CURRENT ASSETS				
Property, Plant and equipments	473,162,050	482,222,607	516,690,161	529,166,481
Long-term deposits	1,373,251	1,373,251	2,373,251	3,165,751
	<u>473,555,344</u>	<u>483,595,858</u>	<u>519,063,412</u>	<u>532,332,232</u>
CURRENT ASSETS				
Stock-in-trade	162,856,741	177,825,656	206,595,547	233,836,710
Trade debts - unsecured, considered good	337,461,022	292,713,896	320,856,385	200,296,549
Advances	49,809,831	85,597,288	166,273,420	32,090,488
Deposits and pre-payments	7,094,832	4,443,578	3,562,961	2,273,645
Other receivables	21,284,420	18,325,921	19,075,594	27,748,965
Taxation - net	25,449,653	36,202,771	43,136,177	69,997,350
Cash and bank balances	13,838,700	22,056,576	15,473,534	9,518,917
	<u>547,825,398</u>	<u>626,917,495</u>	<u>650,973,614</u>	<u>663,266,930</u>
TOTAL ASSETS	<u>1,121,190,742</u>	<u>1,120,513,403</u>	<u>1,180,236,030</u>	<u>1,195,599,162</u>
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share Capital	85,937,500	85,937,500	85,937,500	85,937,500
Reserves	264,824,728	196,136,345	207,485,233	189,215,945
	<u>350,762,228</u>	<u>282,073,845</u>	<u>293,422,733</u>	<u>275,153,445</u>
Attributable to equity holders of the parent	1,095,628	1,072,809	1,071,578	1,830,767
Non-controlling interest	<u>355,648,856</u>	<u>283,146,654</u>	<u>294,494,311</u>	<u>276,984,212</u>
NON CURRENT LIABILITIES				
Diminishing Musharaka	69,776,905	78,657,660	137,185,872	136,997,260
Deferred Liabilities	47,382,349	48,538,631	47,030,292	47,284,526
	<u>113,159,252</u>	<u>127,196,291</u>	<u>184,216,164</u>	<u>179,181,786</u>
CURRENT LIABILITIES				
Trade and other payables	158,955,492	188,239,175	186,541,199	150,289,251
Accrued profit	9,152,438	8,407,183	8,545,222	9,421,754
Borrowings from Directors and related parties	43,810,000	46,720,000	42,620,000	100,600,000
Current portion of diminishing musharaka arrangements	57,819,597	66,901,828	73,143,210	64,256,253
Morabaha Arrangements	363,650,007	396,681,572	386,275,125	397,773,877
Taxation - net	852,191,533	703,949,558	697,524,756	727,433,130
	<u>1,121,190,742</u>	<u>1,120,513,403</u>	<u>1,180,236,030</u>	<u>1,195,599,162</u>
TOTAL EQUITY AND LIABILITIES	<u>1,121,190,742</u>	<u>1,120,513,403</u>	<u>1,180,236,030</u>	<u>1,195,599,162</u>
Debt Equity Ratio	24.39%	30.96%	38.57%	38.86%
Current Ratio	0.99	0.9	0.95	0.77

Sava Industries Limited

"Annexure D"

COMPARISON OF PROFIT & LOSS ACCOUNT OF FOUR QUARTERS

	1ST QUARTER 30-Sep-2018 Rupees	2ND QUARTER 31-Dec-2018 Rupees	3RD QUARTER 31-Mar-2019 Rupees	4TH QUARTER 30-Jun-2019 Rupees	Y.T.D. 30-Jun-2019 Rupees
Net turnover	475,879,449	465,781,000	384,989,195	400,966,071	1,728,162,115
Cost of sales	(470,994,120)	(465,616,251)	(352,511,048)	(390,962,690)	(1,679,674,109)
Gross profit	5,000,309	9,164,749	32,448,147	5,003,381	53,208,506
G.P. Rate	1.20%	1.97%	8.42%	1.40%	3.08%
Selling and distribution expenses:	(3,042,249)	(4,226,722)	(3,255,343)	(3,837,034)	(14,359,247)
General and administration expenses:	(5,242,061)	(16,470,968)	(10,910,847)	(13,071,051)	(49,694,927)
Other operating expenses	(284,508)	(34,792)	(164,700)	(170,100)	(654,100)
Other operating income / (loss)	9,083,429	(8,602,441)	213,212	4,443,242	4,117,442
Operating profit	1,484,941	(20,169,374)	18,232,499	(7,230,951)	(7,382,925)
Finance cost	(11,086,983)	(11,848,625)	(10,382,144)	(10,465,362)	(43,790,714)
Profit for the period before taxation	(9,601,042)	(32,016,999)	7,849,725	(17,496,323)	(51,773,639)
Provision for taxation: - current	-	-	-	-	388,587
- prior year	2,471,832	5,167,857	1,430,220	15,663,770	24,298,485
- deferred (current)	2,411,932	(4,578,870)	1,438,220	15,663,770	14,947,052
Profit after taxation	(7,118,110)	(36,564,894)	9,379,945	(1,812,552)	(30,228,587)
Earning per share before taxation - related	(1.12)	(9.73)	0.93	(2.54)	(8.93)
Earning per share after taxation - related	(0.84)	(9.25)	1.08	(0.21)	(4.22)

SANA INDUSTRIES LIMITED

 Statistical summary of key operating & financial data for last six years
 Based on Unconsolidated Financial Statements for the year ended / as at June,30

Annexure E

(Rupees in Millions)

YEAR END	Jun-2017	Jun-2016	Jun-2015	Jun-2014	Jun-2013	Jun-2012
OPERATING RESULTS						
Turnover	1,660.32	1,791.12	1,695.87	1,382.87	1,195.06	1,012.72
Gross profit	39.99	177.37	226.74	176.22	148.49	133.14
Operating expenses	41.21	53.47	35.79	32.76	26.95	21.45
Operating (Loss) / Profit	(1.22)	123.89	190.95	143.46	121.54	111.69
Financial charges	43.79	40.34	50.23	35.64	29.06	26.98
(Loss) / Profit before tax	(45.01)	83.55	135.87	106.61	87.07	76.28
Taxation	17.42	18.82	46.31	26.84	24.65	20.49
(Loss) / Profit after tax	(27.58)	64.73	89.56	79.77	62.42	55.79
FINANCIAL POSITION						
Paid-up Capital	85.94	85.94	85.94	85.94	68.75	68.75
Retained earnings	206.63	272.03	306.43	274.86	236.64	211.82
Total equity	292.56	357.97	392.37	360.80	305.39	280.57
Long term loans	136.90	68.24	48.17	54.16	12.25	4.23
Deferred taxation & staff benefits	40.49	46.42	48.49	42.10	30.43	19.39
Current liabilities	583.49	610.27	496.56	442.30	319.91	273.70
Total Assets	1,153.44	1,087.97	985.59	899.36	668.00	577.82
Fixed assets (Gross)	994.96	1,045.98	874.84	771.85	708.28	632.85
Accumulated depreciation	469.05	550.79	491.48	444.29	469.54	436.94
Fixed assets (Net)	505.02	495.18	383.36	327.56	238.74	195.91
Long term deposits	1.37	1.21	1.17	1.09	1.09	0.85
Current assets	550.71	591.58	595.61	558.80	423.61	380.60
RATIOS						
Fixed Assets Turnover	3.29	3.62	4.42	4.22	5.01	5.17
Trade Debts (days)	26	43	38	51	42	51
Inventory turnover (times)	7.02	6.67	5.59	4.93	5.08	5.06
Inventory turnover (days)	52	55	65	74	72	72
Sales growth %	-7.30%	5.62%	22.63%	15.72%	18.00%	4.87%
Gross profit margin %	2.41%	9.90%	13.37%	12.74%	12.43%	13.15%
Total charges as % to sales	5.12%	5.24%	5.69%	5.54%	5.28%	5.78%
Net profit before tax % to sales	-2.71%	4.66%	8.01%	7.73%	7.29%	7.53%
Tax rate (Effective) %	31.00%	32.00%	33.00%	34.00%	35.00%	35.00%
Net profit after tax (% to sales)	-1.66%	3.61%	5.28%	5.77%	5.22%	5.51%
Return on Capital % (after tax)	-32.10%	75.32%	104.21%	62.82%	80.79%	81.15%
Return on Equity % (after tax)	-3.43%	18.08%	22.83%	22.11%	20.44%	19.88%
Earning per share pre-tax	(5.34)	9.72	15.81	12.41	12.66	11.10
Earning per share after tax	(3.21)	7.53	10.42	9.28	7.27	8.12
Break-up value per share	34.04	41.65	45.66	41.98	44.42	40.81
Debt Equity Ratio	37.63	24.76	26.80	20.80	9.91	7.93
Current Ratio	1.08	1.08	1.20	1.26	1.32	1.38
Quick Ratio	0.46	0.59	0.88	0.65	0.64	0.69
DISTRIBUTION						
Dividend per share Rs.	Nil	3.50	8.00	7.60	5.00	5.50
Stock Dividend	Nil	Nil	Nil	Nil	25%	Nil
Dividend payout	0%	46%	77%	81%	103%	80%

Statement of Compliance with the Code of Corporate Governance

Sana Industries Limited
For the year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Clause 5.19 under Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Mr. Muhammad Khalid Yousuf
Executive Directors	Mr. Muhammad Younus Nawab
	Mr. Hafiz Muhammad Irfan Nawab
Non-Executive Director	Mr. Ilyas Abdul Sattar
	Mr. Ibrahim Younus
	Mr. Ismail Younus
	Mr. Muhammad Faizanullah

The independent directors meets the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. 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.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven

days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. All directors are compliant with necessary requirements of Directors Training Certification.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises 4 members of whom 2 are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises 3 members, all of them are non-executive directors.
18. The board has set up an effective internal audit function.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/pricing sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.


Chairman /CEO

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Sana Industries Limited ("the company") for the year ended June 30, 2017 to comply with the requirements of rule 5.19 of the listing rulebook of the Pakistan Stock Exchange where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code. As part of our audit of 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 Code requires 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 of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

20 SEP 2017

KARACHI:

Muniff Ziauddin & Co.
MUNIFF ZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(Sohail Saleem)

MJ

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed unconsolidated balance sheet of **Sana Industries Limited** ("the Company") as at June 30, 2017 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, gives the information required by the Companies Ordinance, 1984, in the manner so required and, give a true and fair view of the state of the company's affairs as at June 30, 2017 and of the loss, its cash flow and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

30 SEP 2017

KARACHI:


MUNIFF ZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(Sohail Saleem)


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

	Note	2017 Rupees	2016 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	505,354,011	495,181,253
Investment property	8	91,101,015	-
Long-term deposits		1,373,251	1,213,251
Investments	9	4,900,000	4,900,000
		602,728,277	501,294,504
CURRENT ASSETS			
Stock-in-trade	10	233,838,716	228,031,479
Trade debts - unsecured	11	141,585,443	259,094,056
Loans and advances	12	32,090,488	29,930,847
Trade deposits and short-term prepayments	13	863,302	837,265
Other receivables	14	83,767,054	16,154,906
Taxation - net		50,279,109	17,382,902
Cash and bank balances	15	8,283,975	40,059,805
		550,708,087	591,491,260
TOTAL ASSETS		1,153,436,364	1,092,785,764
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		100,000,000	100,000,000
10,000,000 Ordinary shares of Rs. 10/- each			
Issued, subscribed and paid-up capital			
3,593,750 (June 30, 2016: 8,593,750)			
Ordinary shares of Rs. 10/- each	16	85,937,500	85,937,500
General reserves		132,500,000	132,500,000
Unappropriated profit		74,125,533	139,538,023
Shareholders' equity		292,563,033	357,975,523
NON CURRENT LIABILITIES			
Long-term musharaka	17	136,897,260	68,236,148
Deferred liabilities	18	40,487,147	46,418,060
		177,384,406	114,654,208
CURRENT LIABILITIES			
Trade and other payables	19	144,445,041	133,464,057
Finance cost payable	20	9,421,753	7,163,997
Loans from directors and associates	21	67,590,000	46,760,000
Current portion of long-term musharaka	17	64,258,253	49,422,617
Short term morabaha	22	397,773,877	383,345,362
		683,488,925	620,156,033
CONTINGENCIES AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		1,153,436,364	1,092,785,764

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


(Mohamed Irfan Nawab)
Chief Executive


(Mohamed Yunus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

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

	Note	2017 Rupees	2016 Rupees
Turnover	24	1,660,317,705	1,791,117,662
Cost of sales and services	25	(1,620,325,288)	(1,613,750,419)
Gross profit		39,992,417	177,367,243
Distribution expenses	26	(13,588,807)	(11,130,637)
Administrative expenses	27	(47,116,402)	(38,760,769)
		(60,705,209)	(49,891,406)
Other income	28	20,146,546	3,118,053
Other operating expense	29	(654,100)	(6,661,968)
		19,492,446	(3,543,915)
Operating profit		(1,220,345)	123,931,922
Finance costs	30	(43,787,491)	(40,341,388)
(Loss) / profit before taxation		(45,007,836)	83,590,534
Taxation	31	17,423,076	(18,821,206)
(Loss) / profit after taxation		(27,584,760)	64,769,328
(Loss) / earning per share - Basic and diluted	32	(3.21)	7.54

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

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(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


Abdul Hussain Antaria
Chief Financial Officer

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

	2017 Rupees	2016 Rupees
Net (loss) / profit for the year	(27,584,760)	64,769,328
Remeasurements of staff employment benefit	(11,231,311)	(44,719,890)
Related deferred tax	3,481,706 (7,749,605)	14,310,365 (30,409,525)
Total comprehensive (loss) / income for the year	<u>(35,334,365)</u>	<u>34,359,803</u>

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

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 (Mohammed Irfan Nawab)
 Chief Executive


 (Mohammed Younus Nawab)
 Chairman


 (Abdul Hussain Antafia)
 Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED 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		(45,007,836)	83,590,534
Adjustments for:			
Depreciation		71,458,174	62,876,721
Gain on sale of fixed assets		(9,926,654)	(2,016,550)
Profit on bank accounts		(359,892)	(1,101,503)
Provision for staff benefits		6,389,413	1,265,806
Finance costs		43,787,491	40,341,388
Operating profit before working capital changes		66,340,696	184,956,396
Increase in current assets	33.1	41,903,550	(36,808,607)
Increase in current liabilities	33.2	10,879,633	46,712,509
Cash generated from operations		119,123,879	194,860,298
Finance costs paid		(41,529,735)	(40,601,413)
Income taxes paid		(32,307,613)	(32,527,567)
Staff benefits paid		(3,235,442)	-
Long-term deposit		(160,000)	(45,131)
Net cash inflow from operating activities		41,891,089	121,686,187
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(295,855,557)	(169,850,999)
Investment in subsidiary		-	(4,900,000)
Profit received on bank accounts		359,892	1,101,503
Proceeds from sale of property, plant and equipment		133,050,258	2,630,000
Net cash used in investing activities		(162,445,407)	(171,019,496)
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		20,830,000	41,760,000
Dividend paid		(29,976,774)	(68,875,507)
Net cash inflow from financing activities		88,778,489	28,456,452
Net decrease in cash and cash equivalents		(31,775,829)	(20,876,859)
Cash and cash equivalents at beginning of the year		40,059,805	60,936,663
Cash and cash equivalents at the end of the year	15	8,283,975	40,059,805

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

(Mohammed Irfan Nawab)
Chief Executive

(Mohammed Younus Nawab)
Chairman

(Abdul Hussain Antaria)
Chief Financial Officer

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

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total
		General reserves	Un- appropriated profit	Sub - total	
Balance as at 30 June, 2015	85,937,500	132,500,000	173,928,220	306,428,220	392,365,720
Transactions with owners :	-	-	(68,750,000)	(68,750,000)	(68,750,000)
Final dividend for the year ended June 30, 2015 @ Rs. 8 per share	-	-	64,769,328	64,769,328	64,769,328
Profit after taxation for the year ended June 30, 2016	-	-	(30,409,525)	(30,409,525)	(30,409,525)
Other comprehensive loss	-	-	34,359,803	34,359,803	34,359,803
Balance as at 30 June, 2016	85,937,500	132,500,000	139,538,023	272,038,023	357,975,523
Transactions with owners :	-	-	(30,078,125)	(30,078,125)	(30,078,125)
Final dividend for the year ended June 30, 2016 @ Rs. 3.5 per share	-	-	(27,584,760)	(27,584,760)	(27,584,760)
Loss after taxation for the year ended June 30, 2017	-	-	(7,749,605)	(7,749,605)	(7,749,605)
Other comprehensive loss	-	-	(35,334,365)	(35,334,365)	(35,334,365)
Balance as at 30 June, 2017	85,937,500	132,500,000	74,125,533	206,625,533	292,563,033

The annexed notes from 1 to 24 form an integral part of these financial statements.


(Muhammad Irfan Nawab)
Chief Executive


(Muhammad Younus Nawab)
Chairman


(Zahoor Hussain Antarha)
Chief Financial Officer

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

1 NATURE OF BUSINESS

Sana Industries Limited (the Company) was incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange. The 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 Company is located at 33-D-2, Block 6, PECHS, Karachi, Pakistan.

2 BASIS OF PREPARATION

2.1 Unconsolidated financial statements

These are the unconsolidated financial statements (therein after referred as the financial statements) of the Company 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. Consolidated financial statements of the Company 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 Company'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:

**Effective date
(annual periods beginning on
or after)**

4.2 Standard or Interpretation

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 Advance	January 1, 2018
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019

The company 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 15	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

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.

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5 SIGNIFICANT ACCOUNTING POLICIES

5.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment, if any, except for leasehold land, SF/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 Company.

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.

5.2 Investment property

Investment properties comprise of freehold land and buildings that are held for rental yields. Investment properties is initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight line method to allocate the depreciable amounts over the estimated useful lives. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date.

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. Instalments 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 Company 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 Company 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.

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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 Company 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 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 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 Company. An operating segment is a component of the Company 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 Company'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 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 Company'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 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 Company'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 company'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 Company. Further, the Company 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 18.4.5 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 Company, 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 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	505,015,757	495,181,253
	338,254	-
	505,354,011	495,181,253

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	
	Leasehold land	47,031,061	14,786,200 (49,722,767) (6,812,875) *	5,282,619	-	-	-	5,282,619
	SF/96 Premises (Tenancy Rights)	5,000,000	-	5,000,000	-	-	-	5,000,000
	Building on leasehold land	168,482,882	17,914,317 (134,373,785) *	72,023,414	10	80,994,326	(47,307,467)	46,361,343
	Electrification - Factory Building	16,044,407	2,445,951	18,490,358	10	10,772,850	-	11,836,285
	Office Premises SF/96	12,711,363	-	12,711,363	10	7,072,982	-	6,103,417
	Plant and machinery	706,777,956	239,753,059 (112,978,863)	833,552,192	10	422,228,791	(63,713,887)	402,042,480
	Handling equipments	23,027,033	16,895,870 (27,695,342)	10,227,561	10-20	9,059,343	(10,689,620)	1,205,156
	Furniture, fixtures and office equipments	1,176,626	639,862 (4,163,636)	9,654,652	10	4,995,769	(1,406,473)	4,068,837
	Lab Equipment	311,295	-	311,295	10-20	155,648	-	217,907
	Vehicles	34,138,975	2,853,746 (11,425,959)	25,356,762	20	13,950,273	(5,770,317)	14,371,553
	Computers & software	2,887,956	228,268 (1,863,170)	1,453,084	20	1,091,493	(1,346,437)	633,642
	Plastic Crates	193,425	-	-	50	103,419	(193,419)	-
	JUNE 30, 2017 - Rupees	1,045,976,019	295,517,303 (347,429,822)	994,063,500		550,794,766 (130,427,119)	68,599,896	489,047,743
	Disposals							505,015,757

* assets transferred to investment property (see note 8)

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2016 PARTICULARS	COST			ACCUMULATED DEPRECIATION				BOOK VALUE
	AS AT JULY 01, 2015	ADDITIONS (DELETIONS)	AS AT JUNE 30, 2016	RATE % per annum	AS AT JULY 01, 2015	ADJUSTMENTS ON DISPOSAL	DEPRECIATION FOR THE YEAR	
Leasehold land	12,095,494	34,936,567	47,032,061	-	-	-	-	47,032,061
SF/96 Premises (Tenancy Rights)	5,000,000	-	5,000,000	-	-	-	-	5,000,000
Building on leasehold land	132,939,217	55,543,665	188,482,882	10	70,049,684	-	10,944,642	80,994,326
Electrification - Factory Building	11,678,319	4,066,088	16,044,407	10	9,804,037	-	969,819	10,772,896
Office Premises SF/96	12,593,585	112,778	12,711,363	10	6,051,271	-	1,021,681	7,072,902
Plant and machinery	640,452,039	66,325,958	706,777,996	10	381,169,849	-	41,058,892	422,228,741
Handling equipments:	16,770,619	2,256,414	21,027,033	10 & 20	7,061,192	-	1,948,151	9,009,343
Furniture, fixtures and Lab Equipment:	6,785,003	4,438,623	11,178,626	10	4,013,735	(1,500)	583,530	4,595,765
Vehicles	313,295	-	313,295	10 & 20	93,389	-	62,259	155,648
Computers & software	2,601,271	286,685	2,887,956	20	11,473,178	(3,564,630)	6,001,725	13,910,273
Plastic Crates	193,425	-	193,425	50	1,574,671	-	287,122	1,861,493
JUNE 30, 2016 - Rupees	874,835,799	175,319,801	1,045,976,019		491,494,175	(3,566,130)	62,876,721	550,794,766
Disposals		(4,179,580)						455,331,271

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

	2016 Rupees	2017 Rupees	2016 Rupees
Manufacturing and services expenses	23	49,456,440	44,724,096
Fuel and power	25.1	13,192,292	13,260,873
Distribution expenses	26	20,601	20,601
Administration expenses	27	8,826,942	5,160,42
		71,458,176	63,076,721

7.1.3 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 BUYERS
Land								
Land Khirne No.168	31/07/2015	32,100,000	-	32,100,000	40,000,000	7,900,000	Negotiation	Chaudry Muhammad Adnan Ali House # 6, Umar Street, Faza Rd.
Industrial Land No.53 & 55	02/06/2015	17,622,767	-	17,622,767	18,000,000	377,233	Negotiation	M/S Khalid Bano Javed & Partners
Plant and machinery								
Air Compressor Ingersollrand 75 Kw	29/04/2010	700,000	460,834	239,166	340,000	100,834	Negotiation	M/S traders Sult # 715, 7th floor, Trade Towers, Abdullah Hannon Road, Karachi
Generator 1190 Kw	14/05/2011	24,441,152	13,340,958	11,100,196	1,709,402	(9,390,794)	Negotiation	International Power Services Plot # 257/14, Sector-15, Kowaly Industrial
Drawing Frame Zinser 2 Pcs	30/09/1999	800,000	799,999	1	64,106	64,103	Negotiation	M/S Traders, Shop Quilty Chaudhri
Computer's Yam Division	Various	849,364	825,969	23,395	-	(23,395)	Damage	Shop Quilty Chaudhri Main Sheershah
Used Opening Frame 800 Rowlers	30/05/2009	3,481,768	2,727,387	754,381	900,000	145,619	Negotiation	M/S Traders, Shop Quilty Chaudhri
Diesel Generator Cummins 500 Kva	01/03/2013	6,351,294	2,752,221	3,599,063	4,000,000	400,937	Negotiation	Shop Quilty Chaudhri Main Sheershah
Splinting Frames	30/09/1993	39,271,164	39,271,164	-	2,307,602	2,307,692	Negotiation	M/S Shador Goodwin # 277 Darul Ahsan
Multiple Items	Various Dates	8,490,439	3,828,065	4,664,374	5,763,953	1,099,619	Negotiation	Liana Logistics (Private) limited Plot # SF-95, Sae, Karachi
Cool Chain Machinery Parts	04/04/2017	17,394,158	434,854	16,959,304	17,521,367	562,063	Negotiation	Frontec International Office Office # 605, 6TH Floor, Plot # 1, Block 7/B,
Cool Chain Machinery Parts	30/05/2017	12,048,898	100,407	11,948,491	12,700,000	751,509	Negotiation	Frontec International Office Office # 605, 5TH Floor, Plot # 1, Block 7/B,
Equipments Az								
Multiple Items	Various Dates	21,129,490	10,509,935	10,539,555	12,719,200	2,179,645	Negotiation	Sana Logistics (Private) limited Plot # SF-96, Sae, Karachi
Two Reach Truck Used Year 2008	30/06/2017	2,602,459	-	2,602,459	2,775,600	173,141	Negotiation	Sana Logistics (Private) limited Plot # SF-96, Sae, Karachi
Two Reach Truck Used	30/06/2017	3,963,393	99,085	3,864,308	4,200,000	335,692	Negotiation	Sana Logistics (Private) limited Plot # SF-96, Sae, Karachi

DESCRIPTION	DATE/YEAR OF ACQUISITION	ORIGINAL COST	ACCUMULATED DEPRECIATION	BOOK VALUE	SALE PROCEEDS	GAIN/(LOSS)	MODE OF DISPOSAL	PARTICULARS OF BUYERS
Furniture, fixtures and office equipments								
Multiple Items	Various Dates	2,057,836	1,385,075	672,761	1,000,000	327,746	Negotiation	Sana Logistics (Private) limited Plot # SF-96, Site, Karachi
Samsung Note 4 White (Israel Younis	30/03/2015	57,800	10,597	47,203	-	(47,203)	Trade	Al-Aran Electronics Shop # 28 Al-Haroon Center Main Abdullah Haroon
Samsung Galaxy S5 (prezidentah)	19/03/2015	40,000	10,800	29,200	25,500	(11,700)	Negotiation	
Vehicles								
Multiple Items	Various Dates	8,821,959	4,630,318	4,191,641	6,140,000	1,948,359	Negotiation	Sana Logistics (Private) limited Plot # SF-96, Site, Karachi
Corolla (G1 Bjg-4ZZ (Az) A.Rahim	30/06/2017	1,864,000	-	1,864,000	1,864,000	-	Negotiation	Sana Logistics (Private) limited Plot # SF-96, Site, Karachi
Toyota Corolla Aiu-621 (Az)	16/07/2011	1,140,000	1,139,999	599,999	600,000	599,999	Negotiation	Ahler Ertisiam Azmi House # 399, Dada Phase 1, Maf Cant, Karachi
Computers & software								
Multiple Items	Various Dates	813,406	520,468	292,938	400,000	107,062	Negotiation	Sana Logistics (Private) limited Plot # SF-96, Site, Karachi
Plastic Crates	Various Dates	193,425	193,424	1	20,000	19,999	Negotiation	Sana Logistics (Private) limited Plot # SF-96, Site, Karachi
TOTAL		206,243,162	83,119,557	123,123,605	133,050,258	9,926,654		

8 INVESTMENT PROPERTY

PARTICULARS	COST			ACCUMULATED DEPRECIATION			BOOK VALUE AS AT JUNE 30, 2017
	AS AT JULY 01, 2016	ADDITIONS (DELETIONS)	AS AT JUNE 30, 2017	AS AT JULY 01, 2016	ADJUSTMENTS REPRECIATION	AS AT JUNE 30, 2017	
Leasehold land	6,812,875	-	6,812,875	-	-	-	6,812,875
Building on leasehold land	134,373,785	-	134,373,785	-	47,307,467	2,728,179	50,085,545
	141,186,660	-	141,186,660	-	47,307,467	2,728,179	50,085,545
							91,101,015

8.1. During the year, the company has entered into an agreement with its subsidiary, M/s Sana Logistics (Private) Limited whereby assets and operation of cold storage segment of the company have been leased out to the subsidiary, hence the related fixed assets have been transferred from owned fixed assets to investment property.

	Note	2017 Rupees	2016 Rupees
9 LONG TERM INVESTMENT			
Subsidiary company - at cost			
Sana Logistics (Private) Limited			
490,000 ordinary shares of Rs. 10/- each		4,900,000	4,900,000
Equity held : 49%			
Break up value as per latest financial statement is Rs. 7.5 (2016: Rs. 9.96)			
		<u>4,900,000</u>	<u>4,900,000</u>
10 STOCK-IN-TRADE			
Raw and packing materials	10.1	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
		<u>233,838,716</u>	<u>228,031,479</u>
10.1 Raw and packing materials			
In hand		48,244,279	72,337,421
In transit		-	8,335,359
		<u>48,244,279</u>	<u>80,672,780</u>
11 TRADE DEBTS			
<i>Unsecured</i>			
Considered good		141,585,443	259,094,056
		<u>141,585,443</u>	<u>259,094,056</u>
12 LOANS AND ADVANCES			
Loans to employees - secured	12.1	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
		<u>26,738,336</u>	<u>16,631,647</u>
		<u>32,090,488</u>	<u>29,930,847</u>

12.1 These represent interest free loans to employees for personal use in accordance with the Company's policy and are secured against balance of gratuity fund. These are recoverable in equal monthly installments.

	Note	2017 Rupees	2016 Rupees
13 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposits		489,495	108,000
Prepayments		373,807	729,265
		<u>863,302</u>	<u>837,265</u>

14 OTHER RECEIVABLES			
Sales tax refundable		26,941,286	14,572,625
Sana Logistics (Private) Limited	14.1	56,018,089	
Others		807,679	1,582,281
		<u>83,767,054</u>	<u>16,154,906</u>

14.1 It includes amount in respect of sale of fixed assets, rental income and contractor reimbursements.

15 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		4,437,518	14,905,594
- in PLS accounts	15.1	2,412,791	22,452,016
		6,850,309	37,357,610
Cash in hand		931,401	495,128
		<u>8,283,975</u>	<u>40,059,805</u>

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

16 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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17 LONG-TERM MUSHARAKA

Secured - Under shariah arrangement

	Note	2017 Rupees	2016 Rupees
Meezan Bank Limited	17.1	134,513,894	40,072,158
Habib Metropolitan Bank Limited	17.2	66,641,619	77,375,106
Standard Chartered Bank		(64,258,253)	(49,422,617)
Less: Current portion		<u>136,897,260</u>	<u>68,236,148</u>

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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17.1 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 WALKESHA 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	

17.2 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

17.3 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
18 DEFERRED LIABILITIES			
Provision for compensated absences	18.1	1,591,927	1,386,068
Deferred taxation	18.2	15,680,393	35,996,588
Staff retirement benefits	18.3	23,214,827	9,035,404
		<u>40,487,147</u>	<u>46,418,060</u>
18.1 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		<u>1,591,927</u>	<u>1,386,068</u>
18.2 Deferred taxation			
Deferred tax (asset) / liability on account of:			
- accelerated depreciation		49,540,933	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)
		<u>15,680,393</u>	<u>35,996,588</u>
18.3 Staff retirement benefits			
Balance sheet Reconciliation			
Present value of defined benefit obligation	18.4.2	(97,912,461)	(52,499,381)
Fair value of plan assets	18.4.3	74,697,634	43,463,977
		<u>(23,214,827)</u>	<u>(9,035,404)</u>

	Note	2017 Rupees	2016 Rupees
18.4 Movement			
Balance at beginning of the year		(9,035,404)	36,807,761
Expense for the year	18.4.1	(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>
18.4.1 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>
18.4.2 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 company on behalf of the fund		13,773,101	-
Paid to the 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>
18.4.3 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 Company to the fund		2,522,369	-
Benefits paid		(919,726)	(1,554,531)
Loan Amount recovered from company		27,600,000	-
Amount received by the 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
18.4.4 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		<u>(11,231,311)</u>	<u>(44,719,890)</u>

18.4.5 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	2016
Withdrawal Rates	Moderate	Moderate
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

18.4.6 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)	(43,453,977)	(76,899,475)	(58,407,349)	(23,026,256)
Deficit / (Surplus)	23,214,827	9,035,404	(36,807,761)	(27,115,988)	(306,098)
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	(13,062,662)	(16,368,523)	8,842,313
Other Comprehensive Income	11,231,311	44,719,890	(9,653,647)	(15,147,289)	(10,710,718)

18.4.7 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%

18.4.8 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/-)

19 TRADE AND OTHER PAYABLES

Creditors		42,651,831	25,543,922
Accrued expenses		36,941,829	21,897,056
Gas Infrastructure Development Cess (GIDC)	19.1	42,880,091	32,720,594
Workers' Profits Participation Fund	19.2	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	19.3	-	27,600,000
Others		4,795,169	1,299,630
		<u>144,445,041</u>	<u>133,464,057</u>

19.1 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 Company has already provided the incremental liability.

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	Note	2017 Rupees	2016 Rupees
19.2 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>
19.3	The Company had utilized and retained the above amount from the Gratuity Fund for Company's business without charging interest thereon.		
20 FINANCE COST PAYABLE			
Accrued morabaha profit		7,546,271	6,953,687
Accrued diminishing musharaka profit		1,875,482	210,310
		<u>9,421,753</u>	<u>7,163,997</u>
21 LOANS FROM DIRECTORS AND ASSOCIATES - unsecured			
Borrowings from directors	21.1	63,530,000	36,760,000
Borrowings from associates		4,060,000	
Borrowings from Sana Logistics (Private) Limited	21.2	-	10,000,000
		<u>67,590,000</u>	<u>46,760,000</u>
21.1	This represents short-term interest free borrowings from directors to meet working capital requirements.		
21.2	This represents short-term interest free borrowings from the associated company to meet working capital requirements.		
22 SHORT-TERM MORABAHA			
<i>Secured - Under shariah arrangement</i>			
Habib Metropolitan Bank Morabaha	22.1	285,622,078	257,168,384
Standard Chartered Bank Morabaha	22.2	112,151,799	126,176,978
		<u>397,773,877</u>	<u>383,345,362</u>
22.1	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 Company.		

22.2 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 Company.

	Note	2017 Rupees	2016 Rupees
23 CONTINGENCIES AND COMMITMENTS			
23.1 Commitments			
Irrevocable letter of credits		<u>105,348,897</u>	<u>29,639,634</u>
Letter of guarantee issued by a commercial bank		<u>22,861,098</u>	<u>20,638,018</u>
Custom duty, sales tax, FED and Income tax on goods in transit		<u>164,199</u>	<u>727,990</u>
23.2 Contingencies			
There were no contingencies as at balance sheet date. (2016: nil).			
24 TURNOVER			
Textile			
Manufacturing		<u>1,434,780,105</u>	<u>1,595,434,579</u>
- local		-	-
- export		<u>82,409,861</u>	<u>22,370,155</u>
Trading		<u>7,783,815</u>	<u>4,295,570</u>
Waste stock		<u>1,524,973,781</u>	<u>1,622,100,304</u>
		<u>(433,215)</u>	<u>(2,082,197)</u>
Less: Commission and discounts		<u>133,174,444</u>	<u>163,127,178</u>
<i>Cold storage</i>			
Food stuff division		<u>2,602,695</u>	<u>7,972,377</u>
- local		<u>1,660,317,705</u>	<u>1,791,117,662</u>

25 COST OF SALES AND SERVICES	Note	2017 Rupees	2016 Rupees
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	25.1	200,408,905	201,249,954
Salaries, wages and benefits		248,048,849	249,966,547
Services procured		16,017,618	16,414,839
Repairs and maintenance		63,240,012	58,002,703
Insurance		5,508,808	4,758,686
Rent, rates and taxes		499,621	569,487
Depreciation	7.2	49,416,440	44,094,865
Security		3,896,374	4,158,403
Others		15,974,499	17,643,933
		603,011,126	596,859,417
		1,658,561,026	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)
		1,620,325,288	1,613,750,419

	Note	2017 Rupees	2016 Rupees
25.1 FUEL AND POWER			
Generation cost:			
Salaries, wages and benefits		392,213	2,927,246
Fuel expenses		142,178,734	133,559,199
Electricity		21,860,942	24,946,851
Oil and lubricants		5,032,914	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	566,403
Electricity duty		268,561	268,297
Others		100,000	21,470
		<u>200,408,905</u>	<u>201,249,954</u>
26 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		5,429	61,520
Depreciation	7.2	20,601	20,601
Fees and subscription		196,080	-
		<u>13,588,807</u>	<u>11,130,637</u>
27 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		22,808,116	17,843,546
Printing and stationery		400,211	411,932
Legal and professional charges		2,714,855	2,345,818
Fees and subscription		704,677	1,640,226
Travelling and conveyance		318,073	896,173
Repairs and maintenance		1,473,527	1,968,570
Rent rates and taxes		6,790,000	5,470,000
Depreciation	7.2	8,828,842	5,140,425
Security expenses		522,233	483,363
Electricity and gas		1,198,144	1,405,772
Insurance		310,885	390,334
Miscellaneous		1,046,839	764,610
		<u>47,116,402</u>	<u>38,760,769</u>

(17)

	Note	2017 Rupees	2016 Rupees
28 OTHER INCOME			
<i>Income from non financial assets:</i>			
Rental income		9,860,000	-
Gain on disposal of fixed assets		9,926,654	2,016,550
<i>Income from financial assets:</i>			
Return on deposits - from islamic side of bank		359,892	1,101,503
		<u>20,146,546</u>	<u>3,118,053</u>
29 OTHER OPERATING EXPENSE			
Workers' Profit Participation Fund		-	4,489,288
Auditors' remuneration	29.1	654,100	466,751
Workers Welfare Fund		-	1,705,929
		<u>654,100</u>	<u>6,661,968</u>
29.1 Auditors' remuneration			
Audit fee		654,100	466,751
Out of pocket expenses		-	-
		<u>654,100</u>	<u>466,751</u>
30 FINANCE COSTS			
Markup on short term loan - Shariah arrangement			
Profit on morabaha		32,012,877	31,544,462
Profit on diminishing musharaka		10,941,883	7,102,285
		42,954,760	38,646,747
Morabaha documentation charges		119,598	52,613
Guarantee commission		-	279,458
Local L/C charges		222,850	-
Bank charges		170,622	259,082
Finance charge on WPPF		293,802	1,103,489
Exchange fluctuation charges		25,859	-
		<u>43,787,491</u>	<u>40,341,388</u>

	2017 Rupees	2016 Rupees
31 TAXATION		
Current	-	15,796,011
Prior	(588,587)	(30,595)
Deferred	(16,834,489)	3,055,790
	<u>(17,423,076)</u>	<u>18,821,206</u>

31.1 Reconciliation of accounting profit and tax expense

Accounting (loss) / profit	-	83,590,534
Tax rate	<u>31%</u>	<u>32%</u>
Tax on accounting profit at applicable rate	-	26,748,971
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	-	(1,038,933)
	<u>-</u>	<u>18,821,206</u>

31.2 The income of the 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.

31.3 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.

32 EARNING PER SHARE - BASIC AND DILUTED

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

(Loss) / Profit after taxation	(27,584,760)	64,769,328
	<u>(27,584,760)</u>	<u>64,769,328</u>
	Number of shares	
Weighted average number of shares	<u>8,593,750</u>	<u>8,593,750</u>
Basic and diluted (loss) / earnings per share	<u>(3.21)</u>	<u>7.54</u>

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33 WORKING CAPITAL CHANGES

33.1 (Increase) / decrease in current assets

Stock-in-trade	(5,807,237)	27,779,088
Trade debts	117,508,613	(45,082,538)
Loans and advances	(2,159,641)	(16,452,375)
Trade deposits and short term pre-payments	(26,037)	690,733
Other receivables	(67,612,148)	(3,743,516)
	<u>41,903,550</u>	<u>(36,808,607)</u>

33.2 Increase in current liabilities

Trade and other payables	<u>10,879,633</u>	<u>46,712,509</u>
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34 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	Chief Executive		Directors		Executives	
	2017	2016	2017	2016	2017	2016
	------(Rupees)-----					
Remuneration	5,200,800	4,000,800	10,461,000	7,861,200	5,301,665	5,404,780
House rent	2,079,120	1,599,120	4,158,900	3,118,680	1,219,077	1,363,700
Retirement benefits	-	558,904	-	1,089,862	-	1,416,560
Utilities	520,080	400,080	1,040,100	780,120	305,328	341,300
	<u>7,800,000</u>	<u>6,558,904</u>	<u>15,660,000</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>

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

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

35 TRANSACTIONS / BALANCES WITH RELATED PARTIES

Related parties of the Company 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:

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Transaction:	Relationship with the Company	2017 Rupees	2016 Rupees
Contribution to the gratuity fund	Employees fund	2,522,369	-
Borrowing from directors and family member	Key management personnel	89,120,000	79,954,950
Repayment to directors and family member	Key management personnel	58,290,000	48,194,950
Director's remuneration	Key management personnel	23,460,000	19,408,765
Rent paid to director's family member	Key management personnel	7,551,000	5,265,000
Borrowing from Sana Logistics (Private) Limited	Subsidiary Company	-	10,000,000
Repayment to Sana Logistics (Private) Limited	Subsidiary Company	10,000,000	-
Transfer of fixed assets to Sana Logistics (Private) Limited	Subsidiary Company	34,882,200	-
Reimbursement of electricity, rent, maintenance, health insurance and contractor payments to Sana Industries Limited	Subsidiary Company	21,135,889	-
Borrowing from other associated companies	Associate	11,674,483	-
Repayment to other associated companies	Associate	11,674,483	-
Balances:			
Borrowing from directors and family member	Key management personnel	67,590,000	36,760,000
Payable to Sana Logistics (Private) Limited	Subsidiary Company	-	10,000,000
Receivable from Sana Logistics (Private) Limited	Subsidiary Company	56,018,089	-

36 FINANCIAL INSTRUMENTS BY CATEGORY

FINANCIAL ASSETS

Loans and receivables at amortized cost

Long-term deposits	1,373,251	1,213,251
Trade debts	141,585,443	259,094,056
Loans and advances	32,090,488	29,930,847
Trade deposits	863,302	837,265
Other receivables	83,767,054	16,154,906
Cash and bank balances	8,283,975	40,059,805
	267,963,513	347,290,130

FINANCIAL LIABILITIES

Financial liabilities at amortized cost

Long-term musharaka	136,897,260	68,236,148
Trade and other payables	144,445,041	133,464,057
Finance cost payable	9,421,753	7,163,997
Borrowing from Directors and family member	67,590,000	46,760,000
Current portion of long-term musharaka	64,258,253	49,422,617
Short term morabaha	397,773,877	383,345,362
	820,386,184	688,392,181

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company'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 company's overall risk management focuses on the unpredictability of financial market and seeks to minimize potential adverse effects on the company's financial performance. Risk measures and managed by company are explained below:

37.1 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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings from financial institution with floating interest rates. Management of the Company estimates that increase of 100 base point in the market interest rate, with all other factors remaining constant, would increase/decrease the Company'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 company is not exposed to risk in respect of financial assets or financial liabilities.

37.2 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. 267,963,513 (2016: 347,290,130), the financial assets are subject to credit risk amounted to Rs. 267,084,744 (2016: 346,795,002).

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	1,373,251	1,213,251
Trade debts	141,585,443	259,094,056
Loans and advances	32,090,488	29,930,847
Trade deposits	863,302	837,265
Other receivables	83,767,054	16,154,906
Bank balances	7,352,574	39,564,677
	<u>267,032,112</u>	<u>346,795,002</u>

Bank	Rating agency	Short-term Rating	2017	2016
----- (Rupees) -----				
Habib Metropolitan Bank	PACRA	A1+	4,710,845	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
			7,352,575	39,570,411

Due to Company'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 company.

37.3 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 Company 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	144,445,041	-	-	-	144,445,041
Finance cost payable	9,421,753	-	-	-	9,421,753
Borrowing from Directors & Associates	45,225,000	22,365,000	-	-	67,590,000
Short-term morahaba	6,625,816	391,148,061	-	-	397,773,877
Total	227,204,043	456,284,881	136,897,260	-	820,386,184
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	133,464,057	-	-	-	133,464,057
Finance cost payable	7,163,997	-	-	-	7,163,997
Borrowing from Directors & Associates	8,500,000	38,260,000	-	-	46,760,000
Short-term morahaba	187,804,744	195,540,618	-	-	383,345,362
Total	354,026,773	266,129,260	68,236,148	-	688,392,181

37.4 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.

37.5 Capital risk management

The company's objectives when managing capital are to safeguard the company'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 company may adjust the amount of dividends paid to shareholder, return capital to shareholder or issue new shares or sell assets to reduce debt.

The company 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 company has surplus cash reserves to meet its requirement and there was no debt position.

	2017	2016
38 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>

39 SEGMENTAL INFORMATION

For management purposes, the Company 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.

2017

	Textile	Cold Storage	Food Stuff	Total
----- (Rupees) -----				
Turnover	1,524,540,566	133,174,444	2,602,695	1,660,317,705
Cost of sales and services	(1,512,590,542)	(107,026,899)	(707,847)	(1,620,325,288)
Gross profit	11,950,024	26,147,546	1,894,848	39,992,418
Distribution costs	(11,601,038)	(1,987,769)	-	(13,588,807)
Administrative expenses	(43,265,517)	(3,779,165)	(71,720)	(47,116,402)
Other income	3,812,786	16,333,760	-	20,146,546
Operating loss	(39,103,745)	36,714,372	1,823,128	(566,245)
Finance costs	(37,227,891)	(6,559,600)	-	(43,787,491)
Other operating expense	(600,609)	(52,466)	(1,025)	(654,100)
Loss before taxation	(76,932,245)	30,102,306	1,822,103	(45,007,836)
Taxation	28,622,637	(11,199,561)	-	17,423,076
Loss after taxation	(48,309,608)	18,902,745	1,822,103	(27,584,760)
OTHER INFORMATION				
Segment assets	793,265,209	280,317,973	4,902,649	1,078,485,831
Unallocated assets				74,950,533
Total assets				1,153,436,364
Segment liabilities	646,142,506	85,506,419	-	731,648,925
Unallocated liabilities				129,224,406
Total liabilities				860,873,331
Capital expenditure	176,742,458	117,284,521	1,490,324	295,517,303
Unallocated capital expenditure				-
Total capital expenditure				295,517,303
Depreciation	36,398,905	34,361,679	697,590	71,458,174

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)	(3,526,115)	(207,743)	(38,760,769)
Other income	2,101,502	1,016,551	-	3,118,053
Operating profit	85,530,951	45,081,264	(18,335)	130,593,890
Finance costs	(38,829,697)	(1,511,692)	-	(40,341,389)
Other operating expense	(6,617,380)	(42,510)	(2,078)	(6,661,968)
Profit before taxation	40,083,865	43,527,063	(20,413)	83,590,534
Taxation	(9,023,065)	(9,798,140)	-	(18,821,206)
Profit after taxation	31,060,819	33,728,922	(20,413)	64,769,328
OTHER INFORMATION				
Segment assets	720,222,872	278,864,773	4,129,915	1,003,217,560
Unallocated assets				89,568,204
Total assets				1,092,785,764

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Segment liabilities	507,629,729	83,648,076	-	591,277,805
Unallocated liabilities				143,532,436
Total liabilities				734,810,241
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

39.1 The cold storage segment performance figures are for the period of 9 months only as the assets and operation of the segment have been leased out to the subsidiary with effect from April 1, 2017.

40 NUMBER OF EMPLOYEES

	2017	2016
Number of employees at 30 June	<u>193</u>	<u>188</u>
Average number of employees during the year	<u>180</u>	<u>184</u>

41 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.

42 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/-).


43 GENERAL

Amounts have been rounded off to the nearest rupee.

44 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 20 SEP 2017 by the Board of Directors of the Company.

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(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer