



40th
Annual Report
2024-2025

Year ended 30th June 2025

SANA Industries Limited

33-D-2, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400

Phone: 021-34322556-9 Email: info@sana-industries.com

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COMPANY INFORMATION

Board of Directors

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

H.R. & Remuneration Committee

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

Audit Committee

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

C.F.O./Company Secretary

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

Registered Office

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

Mills

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

Auditors

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

Legal Advisors

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

Bankers

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

Share Registrars

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

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

SANA Industries Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of the shareholders of the Sana Industries Limited will be held on Monday, the 27th of October, 2025 at 4.00 P.M at the Company's Office, situated at 33-D-2, Block 6, P.E.C.H.S., Karachi to transact the following business:-

ORDINARY BUSINESS:

- (1) To receive and adopt the audited financial statements of the Company for the year ended 30th June, 2025, together with the Auditors' and Directors' Reports thereon.
- (2) To appoint Auditors of the Company for the year ended 30th June, 2026. The present Auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

Ordinary Resolution

- (3) To ratify and approve by way of ordinary resolutions with or without modification the following resolutions in respect of related party transactions under the provisions of Section 208 of the Companies Act, 2017:
 - (i) "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2025, be and are hereby ratified, approved and confirmed."
 - (ii) "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2026.

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

ANY OTHER BUSINESS:

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

By Order of the Board



(Abdul Hussain Antaria)
Company Secretary

Karachi: 30th September, 2025

NOTES:

1. Closure of Share Transfer Books

The share transfer books of the Company shall remain closed from 20-Oct-2025 to 27-Oct-2025 (both days inclusive). Transfers received in order at the office of Share Registrar CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block B, SMCHS, Karachi-74400 by the close of business on 17-Oct-2025 will be considered in time to attend and vote at the meeting.

2. Participation in General Meeting

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

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

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

3. **Submission of the CNIC/NTN details (Mandatory)**

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

4. **Payment of Cash Dividend Electronically (Mandatory Requirement)**

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

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

5. **Withholding Tax on Dividend:**

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

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

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

The required information must reach the Share Registrar of the Company before the close of the business on October 14, 2025 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Shareholder(s).

The shareholders seeking to avail exemption or are eligible for deduction at a reduced rate u/s 150 of the Income Tax Ordinance, 2001, must provide valid Tax Exemption Certificate or necessary documentary evidence as the

case may be, to the Company's Share Registrar M/s. CDC Share Registrar Services Limited before book closure otherwise tax will be deducted on dividend as per applicable rates.

6. Electronic Transmission of Audited Financial Statements & Notices

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

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

7. Deposit of Physical Shares in CDC Accounts:

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017. The shareholders having physical shareholding may please open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form. For any query/information, the investors may contact the Company's Share Registrar.

8. Mandatory Information of Physical Shareholders:

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

9. Participation through Video Link Facility

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

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

The video link and login credentials will be shared with the shareholders whose email, containing all the requested particulars, are received at the given email address by or before the close of business hours (5:00 p.m.) on October 23, 2025.

10. Postal Ballot/E-voting

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

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

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

Ordinary resolution

AGENDA NO.3 – TRANSACTIONS WITH SUBSIDIARY COMPANIES.

The Company in the normal course of business carries out transactions with its subsidiary Company Sana Logistics (Private) Limited and Sana Distributors (Private) Limited for re-imburement of Rent, Electricity, Maintenance, Health Insurance and Contractor payments etc. amounting Rs. 7.8 million and Rs. 0.53 million respectively.

Majority of the directors were interested in these transactions due to common directorship in associated Company, which have to be approved by the shareholders in the General Meeting. Therefore, the transactions carried out during the financial year ended June 30, 2025 are being placed before the shareholders for their consideration and approval / ratification. All related party transactions, during the year 2025, were reviewed and approved by the Audit Committee and the Board in their respective meetings. The transactions with related party were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method.

AGENDA NO.4.

To authorize the Board of the Company to approve transactions with Related Party for the financial year ending June 30, 2026 which shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.

Directors' Interest

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

SANA Industries Limited
BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting **Sana Industries Limited** (the Company) to be held on Monday, October 27, 2025 at 4:00 p.m. at 33-D-2, Block 6, P.E.C.H.S., Karachi.

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

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

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

Ordinary Resolution	
(1)	<p>To Ratify and approve transactions conducted with Related Party for the year ended June 30, 2025 by passing the following ordinary resolution with or without modification:</p> <p>“RESOLVED that the transactions conducted with Related Party as disclosed in Note 44 of the unconsolidated financial statements for the year ended June 30, 2025 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed.”</p>
(2)	<p>To authorize the Chief Executive Officer of the Company to approve transactions with Related Party for the financial year ending June 30, 2026 by passing the following ordinary resolution with or without modification:</p> <p>“RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve the transactions to be conducted with Related Party on case to case basis for the financial year ending June 30, 2026.”</p> <p>“FURTHER RESOLVED that these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.”</p>

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

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

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

Place: _____ Date: _____

NOTES:

1. Duly filled postal ballots should be sent to the Chairman at 33-D-2, Block 6, P.E.C.H.S., Karachi or through email at: (chairman@sana-industries.com)
2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach the Chairman of the Meeting on or before October 24, 2025 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

REVIEW REPORT BY THE CHAIRMAN


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

For the financial year ended 30 June 2025, the Board’s overall performance and effectiveness have been assessed as satisfactory, based on an evaluation of integral components including vision, mission and values.

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

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

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



Ibrahim Younus
Chairman

Karachi: 30th September 2025

Directors' Report

We are pleased to present the Directors' Report along with the audited financial statements for the year ended 30 June 2025. The year was marked by volatile input costs, intense competitive pressures, and structural distortions in the textile sector. Despite these headwinds, the company closed the year on a profitable note, reflecting resilience, operational discipline, and strategic adjustments.

Operational and Financial Performance

The company reported **net revenues of Rs. 2,416 million** compared to **Rs. 3,804 million** in FY24, a decline largely driven by the strategic discontinuation of loss-making contracts and reduced domestic competitiveness due to policy distortions and high input costs.

Gross profit stood at **Rs. 203 million (8.4%)**, versus **Rs. 300 million (7.9%)** last year. While absolute profitability fell in line with lower revenues, the improvement in GP margin underscores the company's ability to manage resources efficiently. Notably, quarterly performance was uneven: GP margins of **7.07% in Q1** and **10.52% in Q2** outpaced last year's monthly average (7.4%), before compressing to **2.4% in Q3** on the back of soaring energy costs. Encouragingly, **Q4 GP recovered to 14.61%**, demonstrating operational adaptability.

Operating profit closed at **Rs. 66 million**, compared to **Rs. 146 million** last year, reflecting margin pressures. However, **other income rose sharply to Rs. 327 million (FY24: Rs. 6.8 million)**, driven primarily by the sale of an investment property, which supported liquidity and offset operational pressures.

Finance costs reduced to **Rs. 193 million** from **Rs. 250 million** last year due to lower interest rates and disciplined financial management. Consequently, profit before taxation improved to **Rs. 201 million**, against a loss of **Rs. 145 million** in FY24. After taxation, the company recorded a **net profit of Rs. 111 million (EPS: Rs. 5.58)**, compared to a **net loss of Rs. 75 million (LPS: Rs. 3.78)** in FY24.

Liquidity and Cash Flow

Liquidity strengthened during the year as a result of the sale of investment property, structured through installments spread over slightly more than one year. These inflows reduced immediate borrowing pressures, improved working capital, and provided funds to support both operations and ongoing commitments.

Solar System Installation

During the year, the Company installed a solar power system, which is expected to improve energy efficiency, reduce reliance on conventional sources, and contribute positively to the environment.

Industry and Economic Overview

The synthetic yarn spinning sector in Pakistan continues to face deep-rooted challenges. Elevated energy tariffs remain the biggest concern, significantly inflating production costs. The removal of sales tax exemptions on local inputs, while imports remain duty and tax-free, has further eroded domestic competitiveness, fueling a surge in cheaper imported yarns. Prolonged sales tax refund delays continue to tighten liquidity across the sector, while dumped imports from regional markets undercut domestic prices. Together, these pressures have forced many spinners, particularly SMEs, to scale back or suspend operations.

Outlook

The company acknowledges that high energy costs and policy distortions will remain immediate challenges. However, the return to profitability in FY25, particularly the strong Q4 recovery demonstrates the effectiveness of strategic decisions and adaptability. Going forward, management will focus on:

- Strengthening liquidity and further reducing finance costs
- Driving operational efficiency and resource optimization
- Investing in sustainable energy solutions to mitigate power cost volatility

The Board remains confident that the company's disciplined approach, combined with a focus on long-term sustainability, will support shareholder value in the years ahead.

Auditors

The current auditors, M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, are set to retire, but they have expressed their willingness to be re-appointed for the financial year ending June 30, 2026. We value their expertise and look forward to their continued support.

Pattern of Holding of Shares

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

Dividend and Bonus Announcement

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

Directors' Statement

- (1) The financial statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
- (2) The Company has maintained proper books of account.
- (3) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (4) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom, if any, has been adequately disclosed and explained.
- (5) The system of internal control is of sound design and has been effectively implemented and monitored.
- (6) There are no significant doubts upon the Company's ability to continue as a going concern.
- (7) There has been no material departure from the best practices of corporate governance, as detailed in the Stock Exchange's Listing Regulations.
- (8) The Company operates an approved gratuity fund, being administered by a gratuity fund trust, covering all its employees who have completed their qualifying period. The Project Unit Credit Actuarial Cost Method (PUC) was used for calculating the accounting entries, which method is mandated under the latest version of IAS-19. The most recent actuarial valuation of the scheme was carried out at 30th June, 2025. Total value of assets / investments as at June 30, 2025, were Rs. 57,397,879/-.

Board of Directors

A total of 04 Meetings of the Board of Directors were held during the financial year ended 30th June 2025. Number of Meetings attended by each Directors are stated as follows:

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

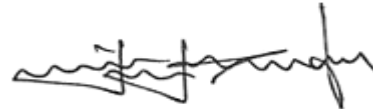
Acknowledgement

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

On behalf of the Board



Mohammad Irfan Nawab
Chief Executive



Muhammad Faizanullah
Director

Karachi: 30th September 2025

ڈائریکٹرز رپورٹ

ہمیں یہ پیش کرتے ہوئے خوشی ہو رہی ہے کہ ڈائریکٹرز کی رپورٹ بمعہ آڈٹ شدہ مالیاتی گوشوارے برائے سال ختم شدہ 30 جون 2025 آپ کے سامنے پیش کی جارہی ہے۔ اس سال کے دوران خام مال کی لاگت میں شدید اتار چڑھاؤ، سخت مسابقتی دباؤ، اور ٹیکسٹائل سیکٹر میں ساختی بگاڑ نمایاں رہے۔ ان مشکلات کے باوجود کمپنی نے منافع کے ساتھ سال مکمل کیا، جو کہ لچک، آپریشنل نظم و ضبط اور حکمت عملی میں درستگی کا مظہر ہے۔

عملی اور مالی کارکردگی

کمپنی نے 2,416 ملین روپے کی خالص آمدنی رپورٹ کی، جو گزشتہ سال (FY24) کی 3,804 ملین روپے کے مقابلے میں کم ہے۔ یہ کمی بنیادی طور پر خسارہ دینے والے معاہدوں کو ختم کرنے اور پالیسی بگاڑ و بلند پیداواری لاگت کی وجہ سے مقامی مسابقت میں کمی کے باعث سامنے آئی۔

مجموعی منافع 203 ملین روپے 8.4% رہا، جو گزشتہ سال 300 ملین روپے 7.9% تھا۔ اگرچہ آمدنی میں کمی کے ساتھ مجموعی منافع کم ہوا، لیکن مارجن میں بہتری کمپنی کے وسائل کو مؤثر طور پر استعمال کرنے کی صلاحیت کو ظاہر کرتی ہے۔ سہ ماہی کارکردگی غیر متوازن رہی: پہلی سہ ماہی میں GP مارجن 7.07% اور دوسری سہ ماہی میں 10.52% رہا جو گزشتہ سال کی اوسط 7.4% سے بہتر تھا، تاہم تیسری سہ ماہی میں توانائی کی بڑھتی ہوئی لاگت کے باعث یہ 2.4% تک گر گیا۔ حوصلہ افزا طور پر، چوتھی سہ ماہی میں GP مارجن 14.61% رہا جس نے آپریشنل مطابقت کو ظاہر کیا۔

آپریٹنگ منافع 66 ملین روپے رہا جبکہ گزشتہ سال 146 ملین روپے تھا۔ تاہم، دیگر آمدنی میں نمایاں اضافہ ہوا اور یہ 327 ملین روپے (FY24: 6.8) ملین روپے (تک جا پہنچی، جو بنیادی طور پر ایک سرمایہ جاتی جائیداد کی فروخت سے حاصل ہوئی، جس نے نقدی کی فراہمی میں مدد دی اور آپریشنل دباؤ کو کم کیا۔

فنانس لاگت گزشتہ سال کے 250 ملین روپے کے مقابلے میں کم ہو کر 193 ملین روپے رہی، جس کی وجہ کم شرح سود اور مالی نظم و ضبط تھا۔ نتیجتاً ٹیکس سے قبل منافع 201 ملین روپے رہا، جو FY24 میں 145 ملین روپے کے خسارے کے مقابلے میں ہے۔ ٹیکس کے بعد کمپنی نے 111 ملین روپے کا خالص منافع (EPS: 5.58) روپے (رپورٹ کیا جبکہ FY24 میں 75 ملین روپے کا خالص خسارہ (LPS: 3.78) روپے (تھا۔

لیکویڈیٹی اور کیش فلو

سال کے دوران سرمایہ جاتی جائیداد کی قسطوں پر فروخت سے لیکویڈیٹی میں بہتری آئی جو ایک سال سے کچھ زائد عرصے میں وصول ہونا متوقع ہے۔ ان آمدنیوں نے فوری قرض کے دباؤ کو کم کیا، ورکنگ کیپیٹل کو بہتر کیا، اور آپریشنز کے ساتھ جاری وعدوں کو سہارا فراہم کیا۔

سولر سسٹم کی تنصیب

سال کے دوران کمپنی نے سولر پاور سسٹم نصب کیا ہے، جس سے توانائی کی کارکردگی میں بہتری، روایتی ذرائع پر انحصار میں کمی اور ماحول پر مثبت اثرات متوقع ہیں۔

صنعت اور معیشت کا جائزہ

پاکستان کا مصنوعی دھاگہ اسپننگ سیکٹر گہرے مسائل کا شکار ہے۔ بلند توانائی ٹیرف سب سے بڑی تشویش ہیں جنہوں نے پیداواری لاگت میں بے پناہ اضافہ کر دیا ہے۔ مقامی ان پٹس پر سیلز ٹیکس چھوٹ ختم کردی گئی ہے جبکہ درآمدات بدستور ڈیوٹی اور ٹیکس سے مستثنیٰ ہیں، جس نے مقامی مسابقت کو مزید کمزور کیا اور سستے درآمدی دھاگوں کے بہاؤ کو بڑھا دیا۔ سیلز ٹیکس ریفرنڈم میں طویل تاخیر نے پورے سیکٹر کی لیکویڈیٹی کو مزید تنگ کر دیا ہے، جبکہ علاقائی مارکیٹوں سے کم قیمت پر درآمدات نے مقامی قیمتوں کو نقصان پہنچایا ہے۔ ان سب دباؤ کے نتیجے میں کئی اسپنرز خصوصاً ایس ایم ایز کو اپنی پیداوار کم یا معطل کرنی پڑی۔

مستقبل کا منظر نامہ

کمپنی تسلیم کرتی ہے کہ بلند توانائی لاگت اور پالیسی بگاڑ فوری چیلنجز رہیں گے۔ تاہم FY25 میں منافع کی بحالی — بالخصوص چوتھی سہ ماہی کی مضبوط کارکردگی — اسٹریٹجک فیصلوں اور مطابقت پذیری کی مؤثریت کو ظاہر کرتی ہے۔ مستقبل میں انتظامیہ کی توجہ درج ذیل نکات پر مرکوز ہوگی:

* لیکویڈیٹی کو مزید مضبوط کرنا اور فنانس لاگت میں مزید کمی لانا

* آپریشنل کارکردگی اور وسائل کے بہترین استعمال کو یقینی بنانا

* توانائی کی لاگت میں اتار چڑھاؤ کو کم کرنے کے لئے پائیدار توانائی کے حل میں سرمایہ کاری کرنا

بورڈ کو یقین ہے کہ کمپنی کا نظم و ضبط پر مبنی انداز اور طویل مدتی پائیداری پر توجہ مستقبل میں شیئر ہولڈرز کی قدر میں اضافہ کرے گی۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس، رٹائر ہو رہے ہیں، تاہم انہوں نے اپنی دوبارہ تقرری کے لئے آمدگی ظاہر کی ہے جو مالی سال ختم شدہ 30 جون 2026 کے لئے ہوگی۔ ہم ان کی مہارت کو قدر کی نگاہ سے دیکھتے ہیں اور ان کے مسلسل تعاون کے منتظر ہیں۔

حصص کی ہولڈنگ کا پیٹرن

حصص کی ہولڈنگ کا پیٹرن، جیسا کہ ایس ای سی پی کے 28 مارچ 2002 کے سرکلر کے تحت اسٹاک ایکسچینج کے لئے لازمی قرار دیا گیا ہے، اس سالانہ رپورٹ میں شامل کیا گیا ہے۔

ڈویڈنڈ اور بونس کا اعلان

مالی کارکردگی اور موجودہ معاشی حالات کے پیش نظر ہمیں یہ اطلاع دیتے ہوئے افسوس ہے کہ اس سال کوئی ڈویڈنڈ کا اعلان نہیں کیا گیا۔ ہمیں یقین ہے کہ یہ فیصلہ کمپنی اور اس کی طویل مدتی ترقیاتی حکمت عملی کے بہترین مفاد میں ہے۔

ڈائریکٹرز کا بیان

1. مالیاتی گوشوارے کمپنی کے حالات، نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلی کو درست طور پر پیش کرتے ہیں۔
2. کمپنی نے مناسب اکاؤنٹس کی کتابیں برقرار رکھی ہیں۔
3. مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کو مسلسل اپنایا گیا ہے اور تخمینے معقول اور محتاط فیصلے کی بنیاد پر بنائے گئے ہیں۔
4. بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) جیسا کہ پاکستان میں لاگو ہیں، ان پر عمل کیا گیا ہے اور کسی انحراف کی صورت میں مناسب وضاحت کی گئی ہے۔
5. اندرونی کنٹرول کا نظام مضبوط ڈیزائن پر مبنی ہے اور مؤثر طور پر نافذ اور مانیٹر کیا گیا ہے۔
6. کمپنی کی بطور Going Concern جاری رہنے کی صلاحیت پر کوئی نمایاں شکوک نہیں ہیں۔
7. اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا۔
8. کمپنی ایک منظور شدہ گریجویٹی فنڈ چلا رہی ہے جو فنڈ ٹرسٹ کے ذریعے انتظام کیا جا رہا ہے اور اس میں وہ تمام ملازمین شامل ہیں جنہوں نے مقررہ مدت مکمل کر لی ہے۔ اکاؤنٹنگ اندراجات کے حساب کے لیے Project Unit Credit Actuarial Cost Method (PUC) استعمال کیا گیا جو IAS-19 کے مطابق لازمی ہے۔ اسکیم کی تازہ ترین ایکچوریل ویلیویشن 30 جون 2025 کو کی گئی جس کے تحت اثاثہ جات / سرمایہ کاری کی کل مالیت 57,397,879 روپے تھی۔

بورڈ آف ڈائریکٹرز

مالی سال ختم شدہ 30 جون 2025 کے دوران بورڈ آف ڈائریکٹرز کے کل 04 اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	اجلاسوں میں شرکت کی تعداد
جناب محمد یونس نواب	4
جناب محمد عرفان نواب	4
جناب ابراہیم یونس	4
جناب اسماعیل یونس	4
جناب محمد فیضان اللہ	4
جناب عبدالسمیع قریشی	4
مس زینب حنیف دھیدھی	4

اظہارِ تشکر

ہم اپنے شیئر ہولڈرز، ملازمین اور شراکت داروں کے غیر متزلزل تعاون اور لگن پر دلی تشکر پیش کرتے ہیں۔ ہم پر عزم ہیں کہ آئندہ چیلنجز کا سامنا کرتے ہوئے ہر ممکن مواقع سے فائدہ اٹھائیں گے۔ مل جل کر ہم کمپنی کی کارکردگی کو بہتر بنانے اور تمام اسٹیک ہولڈرز کے لئے قدر فراہم کرنے کی کوشش جاری رکھیں گے۔

بہ نیابت بورڈ

محمد فیضان اللہ – ڈائریکٹر

محمد عرفان نواب – چیف ایگزیکٹو

کراچی: 30 ستمبر 2025

SANA Industries Limited

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

Comparison with last year

Annexure "A"

Coverring period	From To	01/Jul/2024	01/Jul/2023	VARIATION	
		30/Jun/2025	30/Jun/2024	Amount	Percentage
Turnover - net		3,445	5,564	(2,119)	-38.08%
Cost of Sales		(3,180)	(5,117)	1,937	-37.85%
Gross (loss) / Profit		265	447	(182)	-40.72%
G.P. Rate to Sales		7.69%	8.03%		
Administrative, Selling, Financial & Other expenses		(251)	(270)	19	-7.04%
Other Income		370	9	361	4011.11%
Operating (loss) / Profit before tax		384	186	198	106.45%
Operating (loss) / Profit to sales ratio		11.15%	3.34%		
Provision for Levis and Taxation		(89)	(6)	(83)	1378.67%
(Loss) / Profit after taxation		92	(79)	171	-215.76%
Profit / (Loss) per share (before tax) - Holding Co.		9.22	(7.38)	17	-224.93%
Profit / (Loss) per share (after tax) - Holding Co.		4.58	(4.17)	9	-209.83%

Comparison with last quarter

Annexure "B"

Coverring period	From To	01/Apr/2025	01/Jan/2025	VARIATION	
		30/Jun/2025	31/Mar/2025	Amount	Percentage
Turnover - net		608	888	(280)	-31.53%
Cost of Sales		-663	-866	203	-23.44%
Gross (loss) / Profit		-55	22	(77)	-350.00%
G.P. Rate to Sales		-9.05%	2.48%		
Administrative, Selling, Financial & Other expenses		-78	-56	(22)	39.29%
Other Income		336	20	316	1580.00%
Operating (loss) / Profit before tax		203	-14	217	-1550.00%
Operating (loss) / Profit to sales ratio		33.39%	-1.58%		
Earning per share (before tax)		10.17	(0.70)		

COMPARISON OF BALANCE SHEET OF FOUR QUARTERS (CONSOLIDATED)

Annexure "C"

	1ST QUARTER 30-Sep-24 Rupees	2nd QUARTER 31-Dec-24 Rupees	3rd QUARTER 31-Mar-25 Rupees	4th QUARTER 30-Jun-25 Rupees
<u>ASSETS</u>				
Non- current assets				
Property, plant and equipment	1,391,585,980	1,207,471,478	1,016,243,019	1,012,539,824
Right-of-use assets	46,949,333	22,617,073	50,075,274	2,610,407
Intangibles	488,854	488,854	488,854	-
Long term advance, deposits and prepayments	15,153,051	29,046,963	69,707,199	129,121,521
Deferred tax asset - net	92,153,393	112,943,836	100,728,881	47,163,615
	<u>1,546,330,611</u>	<u>1,372,568,204</u>	<u>1,237,243,227</u>	<u>1,191,435,367</u>
Current assets				
Stock-in-trade	183,202,611	213,184,795	152,587,807	218,327,400
Stores and spares	27,395,970	24,156,034	23,272,533	12,490,226
Trade debts	510,378,126	401,285,590	382,560,168	620,284,573
Loans and advances	87,988,159	118,873,664	89,199,798	53,783,015
Deposits and short term prepayments	138,177,867	135,672,144	133,935,306	151,789,198
Short term investments	4,910,430	4,910,430	4,910,430	11,666,946
Other receivables	126,094,051	153,588,825	262,141,615	465,404,591
Tax refunds due from government	168,989,614	128,773,970	172,681,961	133,443,696
Assets held for sale	-	165,370,297	339,530,224	-
Cash and bank balances	42,471,453	39,193,944	54,060,927	21,382,302
	<u>1,289,608,281</u>	<u>1,385,009,693</u>	<u>1,614,880,769</u>	<u>1,688,571,947</u>
Total assets	<u>2,835,938,892</u>	<u>2,757,577,897</u>	<u>2,852,123,996</u>	<u>2,880,007,314</u>
<u>EQUITY AND LIABILITIES</u>				
Share capital and reserves				
Authorized capital	200,000,000	200,000,000	200,000,000	200,000,000
Issued, subscribed and paid-up capital	199,650,000	199,650,000	199,650,000	199,650,000
Capital reserve:				
Share premium	96,250,000	96,250,000	96,250,000	96,250,000
Revenue reserves				
General reserves	132,500,000	132,500,000	132,500,000	132,500,000
Unappropriated profit	203,503,232	191,523,839	111,315,909	372,955,472
	<u>336,003,232</u>	<u>324,023,839</u>	<u>243,815,909</u>	<u>505,455,472</u>
Equity attributable to the shareholders of Holding Co.	631,903,232	619,923,839	539,715,909	801,355,472
Non controlling interest	73,378,001	74,976,020	73,110,449	73,221,397
Total equity	<u>705,281,233</u>	<u>694,899,859</u>	<u>612,826,358</u>	<u>874,576,869</u>
Non-current liabilities				
Lease liability	39,377,175	28,157,322	33,950,410	11,000,168
Deferred tax	-	-	-	-
Subordinated loan from directors	20,000,000	20,000,000	20,000,000	10,800,000
Long term financing	178,756,894	168,246,121	150,189,718	147,202,521
Deferred liabilities	171,474,279	163,966,251	182,304,399	94,116,994
	<u>409,608,348</u>	<u>380,369,694</u>	<u>386,444,527</u>	<u>263,119,683</u>
Current liabilities				
Short term borrowings	888,946,621	859,731,259	776,446,784	733,077,974
Trade and other payables	487,349,459	497,436,303	735,673,613	706,798,590
Accrued markup	34,676,037	55,526,378	19,942,744	22,982,673
Loans from directors and associates	115,404,960	145,204,960	119,900,000	126,858,577
Unclaimed dividend	2,005,663	2,005,663	2,005,663	2,005,663
Taxation-net	-	-	-	3,186,749
Current maturity of lease liability	17,729,519	3,987,294	16,207,545	19,772,249
Current maturity of deferred government grant	96,296,922	44,408,249	104,036,632	11,793,957
Current maturity of GIDC	-	-	-	43,523,304
Current maturity of long term financing	78,640,130	74,008,238	78,640,130	72,311,026
	<u>1,721,049,311</u>	<u>1,682,308,344</u>	<u>1,852,853,111</u>	<u>1,742,310,762</u>
Contingencies and commitments	-	-	-	-
Total equity and liabilities	<u>2,835,938,892</u>	<u>2,757,577,897</u>	<u>2,852,123,996</u>	<u>2,880,007,314</u>

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

Annexure "D"

	1ST QUARTER 30-Sep-24 Rupees	2nd QUARTER 31-Dec-24 Rupees	3rd QUARTER 31-Mar-25 Rupees	4th QUARTER 30-Jun-25 Rupees	YTD 30-Jun-25 Rupees
Revenues - net	1,100,804,615	718,117,776	887,853,415	738,388,156	3,445,163,962
Cost of sales	(1,025,773,913)	(626,024,539)	(865,590,003)	(662,699,677)	(3,180,088,132)
Gross Profits	75,030,702	92,093,237	22,263,412	75,688,479	265,075,830
GP RATE	6.82%	12.82%	2.51%	10.25%	7.69%
Administrative expenses	(37,175,131)	(35,005,748)	(35,432,842)	(43,033,001)	(150,646,722)
Distribution expenses	(18,651,919)	(26,134,410)	(20,972,118)	(22,390,366)	(88,148,813)
Other operating expenses	-	-	-	(12,351,107)	(12,351,107)
	(55,827,050)	(61,140,158)	(56,404,960)	(77,774,474)	(251,146,642)
Profit / (Loss) before interest and tax	19,203,652	30,953,079	(34,141,548)	(2,085,995)	13,929,188
Other income	1,739,573	12,556,097	19,858,217	335,718,992	369,872,879
Finance costs	(58,095,123)	(65,295,375)	(44,647,825)	(35,285,043)	(203,323,366)
Profit / (Loss) before taxation	(37,151,898)	(21,786,199)	(58,931,156)	298,347,954	180,478,701
Levise	(11,994,720)	(3,142,094)	(14,348,031)	27,300,162	(2,184,683)
Taxation expense	12,366,950	15,504,231	(6,928,743)	(107,475,476)	(86,533,038)
Profit / (Loss) after Levise and Taxation	(36,779,668)	(9,424,062)	(80,207,930)	218,172,640	91,760,980

Sana Industries Limited

Statistical Summary Of Key Operating & Financial Data For The Last Six Years
Based on Unconsolidated Financial Statements for the year ended June 30,

Annexure "E"

(Rupees in Millions)

YEAR END	Jun-2025	Jun-2024	Jun-2023 Restated	Jun-2022 Restated	Jun-2021	Jun-2020
OPERATING RESULTS						
Turnover - Net	2,416	3,804	2,886	2,631	2,129	1,419
Gross profit	203	300	127	305	263	88
Operating expenses	137	154	130	105	102	79
Operating profit / (loss)	66	146	(3)	199	162	9
Financial charges	193	250	200	96	60	75
Profit / (Loss) before levies and taxes	201	(97)	(183)	173	137	(43)
Levies and taxation	(89)	22	78	46	42	12
Profit / (Loss) after tax	112	(75)	(105)	128	95	(31)
FINANCIAL POSITION						
Paid-up Capital	200	200	200	121	110	86
Retained earnings	398	245	307	510	403	264
Total equity	826	674	735	859	513	346
Long term loans	158	230	291	131	60	72
Deferred Liabilities	94	152	177	118	106	68
Current liabilities	1644	1,519	1,370	955	807	675
Total assets	2722	2,576	2,573	2,157	1,485	1,161
Fixed assets (Gross)	1,467	1,620	1,592	1,267	1,139	1,184
Accumulated depreciation	466	494	431	394	742	738
Fixed assets (Net)	1001	1,126	1,161	873	397	447
Long term investment	95	95	95	95	95	35
Long term deposits	95	14	3	3	3	3
Deferred tax assets / (liabilities)	15	80	16	(94)	13	6
Current assets	1482	1,137	1,151	1,059	977	671
RATIOS						
Fixed Assets Turnover	2.41	3.38	2.49	4.15	5.36	3.18
Trade Debts (days)	66	37	58	51	62	44
Inventory turnover (times)	9.35	10.21	8.04	7.30	8.44	6.41
Inventory turnover (days)	39	36	45	50	43	57
Sales growth %	-36%	45%	36%	24%	50%	-29%
Gross profit margin %	8%	8%	4%	12%	12%	6%
Total charges as % to sales	14%	11%	11%	8%	8%	11%
Net profit before tax % to sales	8%	-3%	-6%	7%	6%	-3%
Tax rate (Effective) %	29%	29%	29%	29%	29%	29%
Net profit after tax (% to sales)	5%	-2%	-4%	5%	4%	-2%
Return on Equity % (after tax)	13.56%	-11.13%	-14.29%	21.44%	18.48%	-9.10%
Earning per share pre-tax	10.07	(4.86)	(9.17)	8.67	13.17	(5.04)
Earning per share after tax	5.61	(3.76)	(5.26)	6.43	9.10	(3.66)
Break-up value per share	41.30	33.76	36.81	49.44	46.62	40.20
Debt Equity Ratio	53:47	62:38	51:49	29:71	24:76	29:71
Current Ratio	0.90	0.74	0.84	1.10	1.21	0.99
Quick Ratio	0.77	0.55	0.61	0.68	0.91	0.70
DISTRIBUTION						
Dividend per share Rs.	Nil	Nil	Nil	2.50	2.50	Nil
Stock Dividend	Nil	Nil	65%	0%	10%	Nil
Dividend payout	0%	0%	0%	24%	34%	0%

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

Name of the Company: Sana Industries Limited

Year ending : 30th June, 2025.

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

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

Male: 06
Female: 01

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

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

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

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

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

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

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

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8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the Regulations;
9. Up to the date of reporting period (i.e. June 30, 2025), following Directors have attended Directors training program:
- Mr. Ismail Younus
 - Mr. Muhammad Faizanullah
 - Ms. Zainab Hanif Dhedhi

Four Director Mr. Mohammed Younus Nawab, Hafiz Mohammed Irfan Nawab, Mr. Ibrahim Younus, and Shaikh Abdul Sami, meets the criteria of exemption from Directors Training Program.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as follows:

Audit Committee	Quarterly
HR & Remuneration Committee	Annually

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

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16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulation no. 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with the exception as explained below:
 - Company currently has two elected independent directors out of total seven directors on the board. Both the independent directors have requisite competencies skill, knowledge and experience to discharge and execute their duties competently as per laws and regulation under which hereby fulfil necessary requirements; therefore, not warrant the appointment of a third independent director.
19. We confirm that all other requirements of the Regulation have been complied with, except as explained below:
 - As per Regulation 10A, the Board is responsible for governance and oversight of sustainability-related risks and opportunities. In line with this requirement, the Board of Directors of the Company already exercises regular oversight of sustainability considerations and promotes diversity, equity, and inclusion (DE&I) in its decision-making framework. While a formalized policy and governance structure for sustainability and DE&I has not yet been fully documented, the Board is actively working on drafting and introducing such policies and structures, together with defined targets for DE&I and sustainability strategies and appropriate reporting mechanisms. Once finalized, these will provide a structured framework for identifying, managing, and disclosing principal and emerging sustainability risks and opportunities, as well as monitoring performance against set priorities and targets. The Board remains committed to gradually aligning the Company's sustainability and DE&I framework with best practices and recognized international standards, and to ensuring that future disclosures adequately reflect progress in these areas.
 - The Board recognizes the importance of a formal and effective mechanism for conducting an annual evaluation of the Board's own performance, that of its members, and of its committees as required under Regulation 10(3)(v) of the Regulations. While the Board and its committees already review and discuss their functioning and provide feedback and suggestions for improvement on a regular basis, such evaluations have not yet been carried out through a formal documented process nor discussed comprehensively at Board meetings. In order to address this gap, the management has recently developed an updated evaluation mechanism under which structured evaluation forms covering the performance of the Board, its committees, and individual members will be circulated annually to all directors. The results will be consolidated, formally reviewed, and discussed by the Board starting from

the next financial year. This will ensure systematic, transparent, and continuous improvement in governance effectiveness, in line with the requirements of the Regulations.

- The Board of Directors has not constituted a separate Nomination Committee at this stage. Matters relating to nominations, Board composition, and committee structures are presently addressed directly by the Board on the recommendation of the Human Resource and Remuneration (HR&R) Committee, as these responsibilities fall within its approved terms of reference. The Board, supported by its members' diverse expertise and experience, remains fully capable of managing nomination-related matters effectively without the need for a standalone committee at this time. However, the Company acknowledges the increasing importance of structured oversight in this area and, as part of its commitment to good corporate governance, will consider establishing a dedicated Nomination Committee in the future if and when the governance framework evolves, or the complexity of operations warrants a more formalized structure.
- The Board of Directors has not constituted a separate Risk Management Committee. Oversight of the Company's risk management framework, including review of financial, operational, and compliance controls, is presently undertaken by the Audit Committee in accordance with its approved terms of reference. The Audit Committee regularly reviews the adequacy and effectiveness of risk management procedures and reports its findings and recommendations to the Board. In addition, the Company has provided a separate disclosure of its risk management and internal control framework in the Directors' Report, ensuring appropriate transparency as required under the Regulations. The Board believes that this arrangement sufficiently addresses the requirements of risk oversight without necessitating a standalone committee at this stage. However, the Company remains open to establishing a separate Risk Management Committee in the future should the governance framework or scale of operations warrant more specialized oversight.

For Sana Industries Limited



Ibrahim Younus
(Chairman)



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/s. Sana Industries Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors of **M/s. Sana Industries Limited** ('the Company') for the year ended **June 30, 2025** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as stated in the below-referred paragraphs of the Statement of Compliance:

S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(1)	Explanation for non-compliance is required	18	As per Regulation no. 06 of the Regulations, a listed company shall have at least two or one-third members of the Board, whichever is higher, as independent directors. Further, it requires a listed company to explain the reasons, in its Statement of Compliance, if any fraction contained in such one-third numbers is not rounded up as one. Since the total number of directors of the Company is 7, its one-third fraction comes to 2.33. In contrast, during the year ended June 30, 2025, the number of independent directors of the Company has been 2 (as stated in S. no. 18 of the Statement of Compliance). The Company is of the view that the two independent directors on the board had requisite competencies, skills knowledge and experience to discharge and execute their duties competently as per laws and regulations therefore the appointment of a third independent director is not considered.

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S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(2)	Explanation for non-compliance is required (Non-Mandatory)	19	<p>As per the Regulation 10A, the Board is responsible for governance and oversight of sustainability risks and opportunities and, for this purpose, is required / encouraged to take a number of measures including, in particular, implementation of policies to promote diversity, equity and inclusion (DE&I); taking steps to proactively understand and address the principal as well as emerging sustainability risks and opportunities; ensuring that the Company's sustainability and DE&I related strategies, priorities and targets as well as performance against these targets are periodically reviewed and monitored; and establishment of dedicated sustainability committee having at least one female director, or assignment of additional responsibilities to an existing board committee.</p> <p>In accordance with Regulation 10A, the process of compliance is currently underway, and the matter remains under consideration by the Board. Upon finalization, the Board will assume and discharge all responsibilities prescribed under Regulation 10A until it deems it appropriate to establish a dedicated Sustainability Committee.</p>
(3)	Explanation for non-compliance is required (Non-Mandatory)	19	<p>As required under Regulation 10(3)(v), a formal and effective mechanism for the annual evaluation of the Board, its members, and committees is to be in place.</p> <p>While the Board and its committees regularly review their performance, formal documented evaluations have not yet been carried out or comprehensively discussed. To address this, management has developed a structured evaluation framework, under which annual assessments will be conducted and formally reviewed by the Board from the next financial year to strengthen governance effectiveness in line with regulatory requirements.</p>
(4)	Explanation for non-compliance is required (Non-Mandatory)	19	<p>As per the Regulation no. 29 of the Regulations, the Board may constitute a separate committee, designated as the Nomination Committee, of such number and class of directors, as it may deem appropriate in the circumstances.</p> <p>As disclosed in paragraph 19 of the Statement of Compliance, the Company has not established a separate Nomination Committee. The Board is of the view that the responsibilities of such a committee are being effectively discharged by the Board itself, based on the recommendations of the Human Resource and Remuneration (HR&R) Committee. The Board comprises members with substantial expertise in the areas for which a Nomination Committee is required under Regulation 29(2). Accordingly, the Board believes that the immediate formation of a separate Nomination Committee is not necessary at this stage.</p>

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S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(5)	Explanation for non-compliance is required (Non-Mandatory)	19	<p>As per the Regulation no. 30 of the Regulations, the Board may constitute a separate committee, designated as the Risk Management Committee, of such number and class of directors, as it may deem appropriate in the circumstances.</p> <p>As stated in paragraph 19 of the Statement of Compliance, the Company has not setup a separate Risk Management Committee and is of the view that the Audit committee currently includes individuals with extensive expertise in the areas for which a Risk Management Committee is responsible in terms of Regulation 30(2) and, as such, the immediate formation of a separate Risk Management Committee is not deemed necessary at this stage.</p>

Karachi.

Date: October 01, 2025

UDIN: CR2025102102LkvGXY5x


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

**UNCONSOLIDATED FINANCIAL STATEMENTS
OF
SANA INDUSTRIES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2025**

**Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
KARACHI, LAHORE & ISLAMABAD**

INDEPENDENT AUDITORS' REPORT

To the members of Sana Industries Limited

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of **Sana Industries Limited** (the Company), which comprise the unconsolidated statement of financial position as at **June 30, 2025**, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of material accounting policies and other explanatory information ("the unconsolidated financial statements"), and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at **June 30, 2025** and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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



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

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

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

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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N



Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 01, 2025
UDIN: AR2025102106PaGoXwbs

Sana Industries Limited


Unconsolidated Statement of Financial Position

As at June 30, 2025


	Note	2025	2024
		Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,000,731,282	1,125,607,123
Right-of-use assets	5	2,610,407	25,762,759
Investment property	6	-	99,106,612
Investment in subsidiaries	7	94,999,990	94,999,990
Long term advances, deposits and prepayments	8	127,268,521	13,853,051
Deferred taxation - net	9	14,569,752	79,582,764
		<u>1,240,179,952</u>	<u>1,438,912,299</u>
Current assets			
Stock-in-trade	10	216,847,705	256,730,727
Stores and spares	11	12,490,226	30,656,119
Trade debts - unsecured	12	530,105,049	472,864,124
Loans and advances	13	40,902,509	11,557,193
Trade deposits and short term prepayments	14	148,431,369	132,232,247
Short term investments	15	11,666,946	4,910,430
Other receivables	16	406,381,700	130,372,557
Tax refunds due from government	17	103,082,513	69,354,263
Cash and bank balances	18	12,145,729	28,797,886
		<u>1,482,053,746</u>	<u>1,137,475,546</u>
Total assets		<u>2,722,233,698</u>	<u>2,576,387,845</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorized capital</i>			
20,000,000 (2024: 20,000,000) ordinary shares of Rs 10/- each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up capital	19	199,650,000	199,650,000
<i>Capital reserves</i>			
Share premium		96,250,000	96,250,000
<i>Revenue reserves</i>			
General reserve		132,500,000	132,500,000
Unappropriated profits		397,655,399	245,467,046
		<u>530,155,399</u>	<u>377,967,046</u>
		826,055,399	673,867,046
Non-current liabilities			
Lease liability	20	11,000,168	30,735,132
Long term financing - secured	21	147,202,521	199,674,758
Deferred liabilities	22	94,116,994	152,779,555
		<u>252,319,683</u>	<u>383,189,445</u>
Current liabilities			
Short term borrowings - secured	23	722,877,972	814,396,265
Trade and other payables	24	642,193,393	513,301,777
Loan from directors and sponsors - unsecured	25	106,550,000	19,500,000
Accrued markup	26	22,831,052	41,762,069
Current maturity of lease liability	20	19,772,249	15,957,545
Current portion of long term financing	27	72,311,026	78,365,130
Current maturity of deferred government grant	22	11,793,957	14,259,585
Current maturity of gas infrastructure development cess		43,523,304	19,783,320
Unclaimed dividend		2,005,663	2,005,663
		<u>1,643,858,616</u>	<u>1,519,331,354</u>
Contingencies and commitments	28		
Total equity and liabilities		<u>2,722,233,698</u>	<u>2,576,387,845</u>

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.




Chief Executive Officer


Director


Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2025


	Note	2025 Rupees	2024
Revenue- net	29	2,416,293,478	3,804,189,397
Cost of sales	30	(2,212,936,306)	(3,503,756,811)
Gross profit		203,357,172	300,432,586
Administrative expenses	31	(99,131,728)	(109,277,764)
Distribution expenses	32	(37,843,643)	(44,152,120)
Other operating expenses	33	-	(835,619)
		(136,975,371)	(154,265,503)
Operating profit		66,381,801	146,167,083
Other income	34	327,352,288	6,787,442
Finance costs	35	(192,976,846)	(249,986,488)
		134,375,442	(243,199,046)
Profit / (loss) before levies and taxation		200,757,243	(97,031,963)
Levies	36	-	(47,780,303)
Profit / (loss) before taxation		200,757,243	(144,812,266)
Taxation	37	(89,323,878)	69,318,100
Profit / (loss) after taxation		111,433,365	(75,494,166)
Earnings / (loss) per share - basic and diluted	38	5.58	(3.78)

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

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Chief Executive Officer



Director



Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2025

	2025	2024
	—————Rupees—————	
Profit / (loss) after taxation	111,433,365	(75,494,166)
Other comprehensive income / (loss)		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Actuarial gain on remeasurement of defined benefit obligation	57,401,391	19,805,207
Deferred tax on above	(16,646,403)	(5,743,510)
	40,754,988	14,061,697
Total comprehensive income / (loss) for the year	152,188,353	(61,432,469)

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

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Chief Executive Officer



Director



Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2025

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves		Total
		Share premium	General reserve	Unappropriated profits	
Rupees					
Balance as at June 30, 2023	199,650,000	96,250,000	132,500,000	306,899,515	735,299,515
<i>Total comprehensive income for the year ended June 30, 2024</i>					
- Loss after taxation	-	-	-	(75,494,166)	(75,494,166)
- Other comprehensive income	-	-	-	14,061,697	14,061,697
	-	-	-	(61,432,469)	(61,432,469)
Balance as at June 30, 2024	199,650,000	96,250,000	132,500,000	245,467,046	673,867,046
<i>Total comprehensive income for the year ended June 30, 2025</i>					
- Profit after taxation	-	-	-	111,433,365	111,433,365
- Other comprehensive income	-	-	-	40,754,988	40,754,988
	-	-	-	152,188,353	152,188,353
Balance as at June 30, 2025	<u>199,650,000</u>	<u>96,250,000</u>	<u>132,500,000</u>	<u>397,655,399</u>	<u>826,055,399</u>

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

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Chief Executive Officer



Director



Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2025

	2025	2024
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before levies and taxation	200,757,243	(97,031,963)
<i>Adjustments for:</i>		
- Depreciation on property, plant and equipment	4 60,428,117	63,538,420
- Depreciation on right-of-use assets	5 4,041,190	6,291,368
- Depreciation on investment property	6 2,291,040	4,582,080
- (Reversal) / charge of provision for staff retirement benefits	22.2.3 22,582,459	23,340,433
- (Reversal) / provision for slow moving items	34 (488,904)	498,035
- (Reversal) / provision for expected credit losses	34 (1,654,642)	337,584
- Profit on bank deposits	34 (1,280,920)	(2,445,667)
- Gain on sale of operating fixed assets	(372,073,779)	-
- Unrealised gain on re-measurement of short term investments	34 (306,516)	(526,748)
- Rental income	(36,234,711)	-
- Finance costs	35 192,976,846	249,986,488
	<u>(129,719,820)</u>	<u>345,601,993</u>
Cash generated from operating activities before working capital changes	71,037,423	248,570,030
Effect on cash flow due to working capital changes		
<i>(Increase) / decrease in current assets</i>		
- Stock-in-trade	39,883,022	33,625,777
- Stores and spares	18,654,797	(12,150,199)
- Trade debts	(55,586,283)	84,662,048
- Loan and advances	(29,345,316)	3,578,843
- Trade deposits and short term prepayments	(16,199,122)	(129,557,558)
- Other receivables	25,098,602	(9,647,393)
- Sales tax refundable	(42,061,713)	9,771,963
	<u>126,442,377</u>	<u>162,315,524</u>
<i>Increase / (decrease) in current liabilities</i>		
- Trade and other payables	66,886,364	142,599,005
	<u>137,923,787</u>	<u>391,169,035</u>
Cash generated from operations	17.1 (32,623,806)	(43,096,236)
- Income tax paid	22.2.2 -	(4,000,000)
- Contribution to staff retirement benefits fund	24 (3,000,000)	-
- Payment of Workers' Welfare Fund	(80,915,470)	-
- Long term deposits and prepayments - net	(209,985,495)	(260,447,880)
- Finance cost paid	(188,600,984)	83,624,919
Net cash (used in) / generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	4.1 (4,223,847)	(27,900,066)
Long term advance paid	(32,500,000)	-
Proceeds from disposal of operating fixed assets	241,902,416	-
Short term investments made	(6,450,000)	-
Proceeds from rental income	36,234,711	-
Profit received on bank deposits	1,280,920	2,445,667
Net cash generated from / (used in) investing activities	236,244,200	(25,454,399)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term musharaka	(30,821,788)	(31,478,456)
Repayment of loan against Islamic temporary economic refinance	(27,970,570)	(27,970,570)
Repayment of lease liability (principal repayment)	(1,034,722)	(2,821,968)
Short term borrowings - net	(91,518,293)	(39,243,830)
Loan received from directors and sponsors	215,100,000	25,100,000
Loan repaid to directors and sponsors	(128,050,000)	(10,700,000)
Net cash used in financing activities	(64,295,373)	(87,114,824)
Net decrease in cash and cash equivalents	(16,652,157)	(28,944,304)
Cash and cash equivalents at the beginning of the year	28,797,886	57,742,190
Cash and cash equivalents at the end of the year	18 12,145,729	28,797,886

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Sana Industries Limited

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

1. STATUS AND NATURE OF BUSINESS

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

- (a) The Company's retirement benefits liability under the defined benefit plan which is carried at the present value of the defined benefit obligation less the fair value of the plan assets; and
- (b) Investment in units of open-ended mutual funds which are carried at fair value through profit or loss.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

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

2.5.1 Amendments to existing standards that became effective during the year

The following new or amended standards and interpretations became effective for the financial year and are considered relevant to the Company's financial statements:

- IAS 1 – Classification of Liabilities as Current or Non-current (Amendments issued January 2020 and October 2022, effective January 1, 2024):

Under the previous requirements of IAS 1, a liability was classified as current if the Company did not have an unconditional right to defer settlement for at least twelve months after the reporting date. Following the amendments, the requirement for the right to be “unconditional” has been removed. Instead, the amendments specify that the right to defer settlement must be substantive and must exist as of the reporting date. Such a right may depend on the Company's compliance with conditions (covenants) set out in a loan agreement.

In October 2022, the IASB clarified that only covenants that the Company is required to comply with on or before the reporting date affect whether a liability is classified as current or non-current. Covenants that are tested after the reporting date (i.e., future covenants) do not impact classification at that date. However, if non-current liabilities are subject to future covenants, the Company must provide additional disclosures to enable users to understand the risk that such liabilities could become repayable within twelve months after the reporting date.

- IFRS 16 – Lease Liability in a Sale and Leaseback (Amendments issued September 2022, effective January 1, 2024):

The amendments affect how a seller-lessee accounts for variable lease payments arising from a sale-and-leaseback transaction. At the time of initial recognition, the seller-lessee is required to include variable lease payments when measuring the lease liability. Subsequently, the seller-lessee applies the general requirements for lease liability accounting in a way that ensures no gain or loss is recognised in relation to the right-of-use asset it retains. These amendments introduce a new accounting model for variable lease payments and may require seller-lessees to reassess and, in some cases, restate previously recognised sale-and-leaseback transactions.

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

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

The following standards and amendments have been issued but are not effective for the financial year beginning July 1, 2024 and have not been early adopted by the Company:

IAS 21 – The Effects of Changes in Foreign Exchange Rates (Amendments: Lack of Exchangeability, effective January 1, 2025):

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates address circumstances where a currency is not exchangeable, often due to government restrictions. In such cases, entities are required to estimate the spot exchange rate that would apply in an orderly transaction at the measurement date. The amendments permit flexibility by allowing the use of observable exchange rates without adjustment or other estimation methods, provided these meet the overall estimation objective. When assessing this, entities should consider factors such as the existence of multiple exchange rates, their intended use, nature, and frequency of updates. The amendments also introduce new disclosure requirements, including details of the non-exchangeability, its financial impact, the spot rate applied, the estimation approach used, and related risks.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective January 1, 2026):

Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments – Classification and Measurement provide clarifications and updates in several areas. They refine the requirements around the timing of recognition and derecognition of certain financial assets and liabilities, introducing a new exception for financial liabilities settled via electronic cash transfer systems. The amendments also clarify and expand the guidance on assessing whether a financial asset meets the “solely payments of principal and interest” (SPPI) criterion. In addition, new disclosure requirements are introduced for instruments with contractual terms that can alter cash flows, such as those linked to environmental, social, and governance (ESG) targets. Further updates are also made to the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVOCI).

IFRS 17 – Insurance Contracts (effective January 1, 2026 in Pakistan, as directed by SECP vide SRO 1715(I)/2023):

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

Annual Improvements – Volume Eleven (effective January 1, 2026):

- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- Gain or Loss on Derecognition (Amendments to IFRS 7) - To update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.



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

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

- Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

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

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2025:

IFRS 18 – Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

Major Impact on Companies' Financial Statements:

IFRS 18 will require the Company to restructure their statement of profit or loss into operating, investing, and financing categories, which may alter familiar subtotals such as operating profit. This standard focuses on disaggregation will expand disclosures, requiring more detailed breakdowns of income, expenses, and significant transactions, rather than broad groupings. Adoption will also demand updates to reporting systems and processes, increasing compliance effort, but ultimately enhancing transparency, comparability, and investor confidence.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 – Subsidiaries without Public Accountability: Disclosures introduces reduced disclosure requirements for eligible subsidiaries that apply IFRS Accounting Standards. It applies to subsidiaries without public accountability whose parent prepares publicly available consolidated IFRS financial statements. Recognition and measurement remain fully aligned with IFRS, while disclosures are significantly simplified. The standard aims to ease the reporting burden without compromising the usefulness of information, and adoption is voluntary.

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3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property, plant and equipment

Operating assets - owned

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

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

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

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

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

Capital work in progress

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

3.2 Leases

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

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

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

(a) Right-of-use assets

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

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

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

(b) Lease liabilities

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

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

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

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

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

3.3 Investment property

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

3.4 Investment in subsidiaries

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

3.5 Stores and spares

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

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

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3.6 Stock-in-trade

Basis of valuation

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

Determination of cost

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

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

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

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

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

3.7 Trade debts

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

3.8 Cash and cash equivalents

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

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

3.9 Financial assets

3.9.1 *Initial recognition, classification and measurement*

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

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

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

(c) Financial assets at FVTPL

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

Such financial assets are initially measured at fair value.

3.9.2 Subsequent measurement

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

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(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

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

3.9.3 Impairment

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

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

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

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

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

3.9.4 De-recognition

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

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

3.10 Financial liabilities

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

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



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

3.11 Offsetting of financial assets and financial liabilities

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

3.12 Government grants

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

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

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

3.13 Employee benefits

a) *Compensated absences*

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

b) *Defined benefit plan - staff gratuity*

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

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

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

3.14 Levies and Taxation

Levies

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



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

Current tax

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

Deferred tax

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

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

Judgement and estimates

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

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

Offsetting

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

3.15 Provisions and contingent liabilities

Provisions

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



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

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

Contingent liabilities

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

3.16 Revenue

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

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

3.17 Other income

Interest income

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

Dividend income

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

Rental income

- Rent from operating leases is recognized as income on a straight line basis.

3.18 Dividend distribution

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

		2025	2024
	<i>Note</i>	Rupees	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	<i>4.1</i>	<u>1,000,731,282</u>	<u>1,125,607,123</u>

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4.1 Operating fixed assets

	Rupees										Total	
	Leasehold land	SF/96 premises	Building on leasehold land	Electrification - factory building	Office premises SF/96	Plant and machinery	Handling equipment	Furniture, fixtures and office equipment	Lab Equipment	Vehicles		Computer
As at June 30, 2023												
Cost	5,282,619	5,000,000	139,863,232	38,308,697	12,819,637	1,297,635,610	10,438,561	16,516,458	311,295	63,091,588	2,913,599	1,592,181,296
Accumulated depreciation	-	-	(41,292,488)	(23,596,364)	(8,015,983)	(320,930,558)	(7,209,707)	(9,650,557)	(311,295)	(17,776,907)	(2,151,960)	(430,935,819)
Net book value	5,282,619	5,000,000	98,570,744	14,712,333	4,803,654	976,705,052	3,228,854	6,865,901	-	45,314,681	761,639	1,161,245,477
Movement during the year ended June 30, 2024												
Opening net book value	5,282,619	5,000,000	98,570,744	14,712,333	4,803,654	976,705,052	3,228,854	6,865,901	-	45,314,681	761,639	1,161,245,477
Additions	-	-	-	1,650,000	-	26,115,779	134,287	-	-	-	-	27,900,066
Depreciation for the year	-	-	(3,150,527)	(2,725,885)	(25,291)	(47,658,570)	(391,505)	(1,332,515)	-	(7,968,924)	(285,203)	(63,538,420)
Closing net book value	5,282,619	5,000,000	95,420,217	13,636,448	4,778,363	955,162,261	2,971,636	5,533,386	-	37,345,757	476,436	1,125,607,123
As at June 30, 2024												
Cost	5,282,619	5,000,000	139,863,232	39,958,697	12,819,637	1,323,751,389	10,572,848	16,516,458	311,295	63,091,588	2,913,599	1,620,081,362
Accumulated depreciation	-	-	(44,443,015)	(26,322,249)	(8,041,274)	(368,589,128)	(7,601,212)	(10,983,072)	(311,295)	(25,745,831)	(2,437,163)	(494,474,239)
Net book value	5,282,619	5,000,000	95,420,217	13,636,448	4,778,363	955,162,261	2,971,636	5,533,386	-	37,345,757	476,436	1,125,607,123
Movement during the year ended June 30, 2025												
Opening net book value	5,282,619	5,000,000	95,420,217	13,636,448	4,778,363	955,162,261	2,971,636	5,533,386	-	37,345,757	476,436	1,125,607,123
Additions	-	-	-	-	-	4,161,347	13,700	48,800	-	-	-	4,223,847
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	(9,886,511)	-	(137,333,820)	(9,787,618)	(439,943)	-	-	(35,880)	(157,483,772)
- Accumulated depreciation	-	-	-	9,606,125	-	71,474,697	7,255,556	439,943	-	-	35,880	88,812,201
	-	-	-	(280,386)	-	(65,859,123)	(2,532,062)	-	-	-	-	(68,671,571)
Depreciation for the year	-	-	(3,097,081)	(2,724,252)	(25,222)	(45,180,991)	(246,590)	(1,151,110)	-	(7,755,399)	(247,472)	(60,428,117)
Closing net book value	5,282,619	5,000,000	92,323,136	10,631,810	4,753,141	848,283,494	2,06,684	4,431,076	-	29,590,358	228,964	1,000,731,282
As at June 30, 2025												
Cost	5,282,619	5,000,000	139,863,232	30,072,186	12,819,637	1,190,578,916	798,930	16,125,315	311,295	63,091,588	2,877,719	1,466,821,437
Accumulated depreciation	-	-	(47,540,096)	(19,440,376)	(8,066,496)	(342,295,422)	(592,246)	(11,694,239)	(311,295)	(33,501,230)	(2,648,755)	(466,090,155)
Net book value	5,282,619	5,000,000	92,323,136	10,631,810	4,753,141	848,283,494	206,684	4,431,076	-	29,590,358	228,964	1,000,731,282
Annual rate of depreciation	5%	10%	5%	10%	5%	5%	10%	10%	10%	20%	20%	20%
Residual Value in %	35%	0%	35%	0%	35%	20%	0%	0%	0%	30%	0%	0%

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

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

4.1.2 Depreciation for the year has been allocated as under :

	Note	2025	2024
		Rupees	
Cost of sales - Manufacturing expenses	30	41,787,188	38,515,190
Cost of sales - Fuel and power	30.3	7,058,976	7,053,248
Administration expenses	31	8,751,393	11,503,073
Other income	34	2,830,560	6,466,909
		60,428,117	63,538,420

4.1.3 On January 28, 2025, the Company entered into an agreement with Ovais Shamim Enterprises (SMC-Private) Limited for the disposal of certain assets comprising Property, Plant and Equipment (PPE) and Investment Property (situated at Survey No. 54 Deh. Gondpass, Tapo Gabapat, Kemari Town, Karachi.) The sale price agreed between the two parties by way of agreement is Rs. 446,462,000 for the sale of Investment Property, and Rs. 91,098,920 for the sale of Property, Plant and Equipment. The net book value of all assets disposed is Rs. 165,487,143 resulting in a gain from disposal amounting Rs. 372,073,779.

Class	Particulars	Cost	Accumulated Depreciation	Net book Value	Sale proceeds	Gain / (loss)	Mode of Disposal	Particulars of buyers	Relationship with purchaser
Rupees									
Plant and machinery	EVAPORATOR UNIT AGH065 21/210 HHDV1290(INDONESIA)	830,000	283,333	566,667	751,734	185,067	Negotiation	Ovais Shamim Enterprises (SMC-Private) Limited	None
Plant and machinery	COMPLETE SET OF REFRIGERATION UNIT 2 SET B9020,021/0116 DEC-15	975,000	347,750	627,250	832,103	204,853			
Plant and machinery	RACKING (CS - HUB)	985,250	440,078	545,172	723,219	178,047			
Plant and machinery	STERILIZATION EQUIPMENT (FS)	1,109,893	488,253	621,640	824,528	202,888			
Plant and machinery	2 CHILLER UNITS 10 HP (CS - HUB)	1,140,000	524,400	615,600	816,648	201,048			
Plant and machinery	PACKING MACHINE (FS)	1,188,217	522,815	665,402	882,714	217,312			
Plant and machinery	RACKING (CS - HUB)	1,214,740	664,058	550,682	730,529	179,847			
Plant and machinery	REFRIGERATION PLANT (CS - HUB)	1,317,000	750,690	566,310	751,260	184,950			
Plant and machinery	REFRIGERATION PLANT	1,452,540	827,948	624,592	828,577	203,985			
Plant and machinery	HAMMER MILL & ROLL PRESS CONVEYOR (FS)	1,490,324	481,871	1,008,453	1,337,802	329,349			
Plant and machinery	COMPLET EXTENSION UNIT (INCLUDING WITH ACCESSORIES BH575 25-1-15	1,500,000	595,000	905,000	1,200,563	295,563			
Plant and machinery	4 S.G.E. CONDENSER (AZ)	1,740,935	1,224,457	516,478	685,153	168,675			
Plant and machinery	2 SETS CONDENSING UNIT (AZ)	1,783,389	728,387	1,054,992	1,372,384	317,392			
Plant and machinery	1 PS.COOL CHAIN MCHRY & EQUIPMNT COMPRSG B#201 11-1-15AEDS5840	1,813,331	719,288	1,094,043	1,451,345	357,302			
Plant and machinery	RACKING BEAM / COLUMNS (AZ)	1,836,000	813,960	1,022,040	1,355,827	333,787			
Plant and machinery	WOODEN PALLETS (AZ)	2,352,720	760,713	1,592,007	2,111,939	519,932			
Plant and machinery	WOODEN PALLETS (AZ)	2,614,658	897,699	1,716,959	2,277,698	560,739			
Plant and machinery	COOL CHAIN MACHINERY (AZ) D.M	2,621,432	900,025	1,721,407	2,283,599	562,192			
Plant and machinery	COOL CHAIN MACHINE RACKS (AZ)	2,874,167	2,088,561	785,606	1,042,175	256,569			
Plant and machinery	1 LOT OF INSULATED SUPPORTS INSULATION #126233@126233 INVR215 22-6-15 CNT#	3,994,878	1,518,054	2,476,824	3,285,727	808,903			
Plant and machinery	REFRIGERATION PLANT	4,453,262	2,953,997	1,499,265	1,988,908	489,643			
Plant and machinery	TRF TO FX ASSETS	5,020,435	1,723,683	3,296,752	4,373,434	1,076,682			
Plant and machinery	DIESEL GENERATOR SET OF 300KVA PRIME (AZ)	5,323,100	1,827,598	3,495,502	4,637,093	1,141,591			
Plant and machinery	REFRIGERATION PLANT	5,821,417	3,125,707	2,695,710	2,780,145	684,435			
Plant and machinery	1 COOL CHAIN MACHINERY, EQPM & 1 LOT OF INTERLOCK RACKING SYS.FOR: 2772PAT	9,747,097	3,249,032	6,498,065	8,620,258	2,122,193			
Plant and machinery	REFRIGERATION PLANT	46,194,205	29,574,845	16,619,460	16,790,096	130,636			
	Sub-total	111,394,099	58,632,782	52,761,308	64,695,458	11,934,150			
Handling equipment	2 UNITS DOUBLE DEEP REACH TRUCKS (AZ)	9,787,618	7,255,556	2,532,062	8,656,095	6,124,033			
	Sub-total	9,787,618	7,255,556	2,532,062	8,656,095	6,124,033			

5. RIGHT-OF-USE ASSET	Note	2025	2024
		Rupees	
Opening book value		25,762,759	32,054,127
Additions during the year		-	-
		<u>25,762,759</u>	<u>32,054,127</u>
Effect of modification		(19,111,162)	-
Less: Depreciation for the year	31	(4,041,190)	(6,291,368)
		<u>2,610,407</u>	<u>25,762,759</u>
Depreciation rate (per annum)		<u>33.33%</u>	<u>12.50%</u>

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

Particulars	Rented property in Karachi
Lessor name	Mrs. Sabiha Younus and Mrs. Afshan Irfan
Lease agreement date	1-Jul-24
Lease commencement date	1-Jul-24
Initial contracted term of the lease	11 Months
Availability of extension option	Yes
Assessed leased term	3 years

6. INVESTMENT PROPERTY

	Leasehold land	Building on leasehold land	Total
	Rupees		
As at June 30, 2023			
Cost	6,812,875	140,601,867	147,414,742
Accumulated depreciation	-	(43,726,050)	(43,726,050)
	<u>6,812,875</u>	<u>96,875,817</u>	<u>103,688,692</u>
<i>Movement during the year ended June 30, 2024</i>			
Opening net book value	6,812,875	96,875,817	103,688,692
Depreciation for the year	-	(4,582,080)	(4,582,080)
Closing net book value	<u>6,812,875</u>	<u>92,293,737</u>	<u>99,106,612</u>
As at June 30, 2024			
Cost	6,812,875	140,601,867	147,414,742
Accumulated depreciation	-	(48,308,130)	(48,308,130)
	<u>6,812,875</u>	<u>92,293,737</u>	<u>99,106,612</u>
<i>Movement during the year ended June 30, 2025</i>			
Opening net book value	6,812,875	92,293,737	99,106,612
Disposals			
- Cost	(6,812,875)	(140,601,867)	(147,414,742)
- Accumulated depreciation	-	50,599,170	50,599,170
	<u>(6,812,875)</u>	<u>(90,002,697)</u>	<u>(96,815,572)</u>
Depreciation for the year	-	(2,291,040)	(2,291,040)
Closing net book value	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation rate (per annum)	<u>-</u>	<u>5%</u>	
Residual Value in %	<u>-</u>	<u>35%</u>	

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6.1 Particulars of the investment property disposed during the year are as follows:

Class	Particulars	Cost	Accumulated Depreciation	Net book Value	Sale proceeds	Gain / (loss)	Mode of Disposal	Particulars of buyers	Relationship with purchaser
-----Rupees '000-----									
Building	Old Premises	21,047,769	12,416,958	8,630,811	22,290,398	13,659,588	Negotiation	Ovais Shamim Enterprises (SMC-Private) Limited	None
Building	Old Premises	3,682,400	2,117,973	1,564,427	4,040,375	2,475,947			
Building	Old Premises	1,165,099	663,169	501,930	1,296,312	794,382			
Building	Old Premises	4,005,666	2,083,838	1,921,828	4,963,417	3,041,589			
Building	Old Premises	3,354,843	1,591,425	1,763,418	4,554,299	2,790,881			
Building	Old Premises	3,159,489	1,197,457	1,962,032	5,067,250	3,105,218			
Building	Old Premises	22,246,541	7,958,091	14,288,450	36,902,125	22,613,674			
Building	Old Premises	1,085,563	379,631	705,932	1,823,178	1,117,246			
Building	Old Premises	3,312,284	1,104,363	2,207,921	5,702,296	3,494,375			
Building	Old Premises	997,363	313,708	683,655	1,765,644	1,081,989			
Building	New Premises	3,000,000	869,620	2,130,380	5,502,035	3,371,655			
Building	Old Premises	23,970,757	6,628,325	17,342,432	44,789,503	27,447,071			
Building	New Premises	22,044,925	6,095,799	15,949,126	41,191,075	25,241,949			
Building	New Premises	10,934,400	2,847,325	8,087,075	20,886,117	12,799,042			
Building	Old Premises	4,252,461	1,106,208	3,146,253	8,125,684	4,979,430			
Building	Old Premises	1,343,434	338,706	1,004,728	2,594,864	1,590,136			
Building	New Premises	3,120,000	686,325	2,433,675	6,285,340	3,851,665			
Building	New Premises	1,944,061	158,301	1,785,760	4,612,000	2,826,240			
Land	Land (Cs & Az)	6,812,875	-	6,812,875	214,000,000	207,187,125			

7. INVESTMENT IN SUBSIDIARIES - At cost

2025	2024		Note	2025	2024
-----Number of Shares-----				-----Rupees-----	
3,500,000	3,500,000	Sana Logistics (Private) Limited	7.1	35,000,000	35,000,000
5,999,999	5,999,999	Sana Distributors (Private) Limited	7.2	59,999,990	59,999,990
<u>9,499,999</u>	<u>9,499,999</u>			<u>94,999,990</u>	<u>94,999,990</u>

7.1 Investment in Sana Logistics (Private) Limited

As at June 30, 2025, the Company held 3,500,000 (2024: 3,500,000) ordinary shares of M/s. Sana Logistics (Private) Limited (SLPL) which gives the Company 70% (2024: 70%) voting power in SLPL. The principal business activity of SLPL is to provide warehousing services to its customers, who may have specialized requirements with respect to storage temperatures, environment, handling of goods while adhering to all the best practices and compliant to modern day warehousing management technique. The registered office of SLPL is situated at 33-D-2, Block 6, P.E.C.H.S, Karachi.

Based on its financial statements for the year ended June 30, 2025, the summarized financial information of M/s. Sana Logistics (Private) Limited is as under:

	2025	2024
	-----Rupees-----	
Current assets	<u>259,461,055</u>	<u>176,913,230</u>
Non-current assets	<u>6,118,348</u>	<u>203,647,814</u>
Current liabilities	<u>155,747,232</u>	<u>239,553,149</u>
Non-current liabilities	<u>-</u>	<u>22,135,941</u>
Revenue-net	<u>154,997,430</u>	<u>338,697,232</u>
Loss after tax for the year	<u>(9,039,783)</u>	<u>(7,877,169)</u>
Total comprehensive (loss) for the year	<u>(9,039,783)</u>	<u>(7,877,169)</u>

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7.2 Investment in Sana Distributors (Private) Limited

As at June 30, 2025, the Company held 5,999,999 (2024: 5,999,999) ordinary shares of M/s. Sana Distributors (Private) Limited (SDPL) which gives the Company 99.99% (2024: 99.99%) voting power in SDPL. The principal business activity of SDPL is the distribution of allied items, fast moving consumer goods, confectionery and to act as general traders. The registered office of SDPL is situated at 33-D-2, Block 6, P.E.C.H.S, Karachi.

8. LONG TERM ADVANCES, DEPOSITS AND PREPAYMENTS	Note	Rupees	
		2025	2024
Advance to supplier	8.1	32,500,000	-
<i>Long term security deposits with:</i>			
- Utility companies	8.2	94,616,021	13,700,551
- Central Depository Company (CDC)		12,500	12,500
- Other		100,000	100,000
		94,728,521	13,813,051
Long term prepayments		40,000	40,000
		127,268,521	13,853,051

8.1 This represents advance paid to M/s. Diwan International against the purchase of solar panels.

8.2 This includes a security deposit of Rs. 81.06 million (2024: nil) paid to Sui Southern Gas Company (SSGC) as per SSGC's calculation mechanism based on estimated gas usage.

9. DEFERRED TAXATION - net

	2025			Balance at the end of the year
	Balance at the beginning of the year	(Charge) / income recognized in statement of profit or loss	(Charge) / income recognized in other comprehensive income	
----- (Rupees) -----				
Deferred tax assets arising from:				
- Minimum tax	89,279,037	(72,632,632)	-	16,646,405
- Provision for staff retirement benefits	21,638,532	6,548,913	(16,646,403)	11,541,042
- Provision for slow moving items	190,775	(141,782)	-	48,993
- Unused tax losses	117,304,000	(19,719,547)	-	97,584,453
- Gas infrastructure cess liability	19,715,474	3,396,400	-	23,111,874
- Allowance for expected credit losses	819,035	(479,847)	-	339,188
- Lease liability - net	6,069,676	2,097,307	-	8,166,983
- Deferred government grant	12,824,508	(4,141,489)	-	8,683,019
	267,841,037	(85,072,677)	(16,646,403)	166,121,957
Deferred tax liability arising from:				
- Accelerated depreciation allowance	(172,211,436)	31,497,604	-	(140,713,832)
- Islamic Temporary Economic Refinance Facility	(16,046,837)	5,208,464	-	(10,838,373)
	(188,258,273)	36,706,068	-	(151,552,205)
	79,582,764	(48,366,609)	(16,646,403)	14,569,752

-----2024-----			
Balance at the beginning of the year	(Charge) / income recognized in statement of profit or loss	(Charge) / income recognized in other comprehensive income	Balance at the end of the year

----- (Rupees) -----

Deferred tax assets arising from:

- Minimum tax	50,342,561	38,936,476	-	89,279,037
- Provision for staff retirement benefits	21,773,316	5,608,726	(5,743,510)	21,638,532
- Provision for slow moving items	-	190,775	-	190,775
- Unused Tax losses	87,318,567	29,985,433	-	117,304,000
- Gas infrastructure cess liability	16,818,191	2,897,283	-	19,715,474
- Allowance for expected credit losses	721,135	97,900	-	819,035
- Lease liability - net	3,235,682	2,833,994	-	6,069,676
- Deferred government grant	17,758,890	(4,934,382)	-	12,824,508
	<u>197,968,342</u>	<u>75,616,205</u>	<u>(5,743,510)</u>	<u>267,841,037</u>

Deferred tax liability arising from:

- Accelerated depreciation allowance	(162,973,387)	(9,238,049)	-	(172,211,436)
- Islamic Temporary Economic Refinance Facility	(18,986,781)	2,939,944	-	(16,046,837)
	<u>(181,960,168)</u>	<u>(6,298,105)</u>	<u>-</u>	<u>(188,258,273)</u>
	<u>16,008,174</u>	<u>69,318,100</u>	<u>(5,743,510)</u>	<u>79,582,764</u>

9.1 Deferred tax asset in respect of minimum tax

Deferred tax asset amounting to Rs. 108.293 million (2024: nil) has not been recognized in respect of the minimum tax under section 113 because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	<i>Note</i>	2025	2024
		----- Rupees -----	
10. STOCK IN TRADE			
Raw materials			
- in hand		74,623,320	66,763,051
- in transit		37,950,497	60,151,481
		<u>112,573,817</u>	<u>126,914,532</u>
Packing materials		6,906,600	10,387,465
Work in process		21,695,435	27,929,539
Finished goods		72,043,681	87,065,991
Waste materials		3,628,172	4,433,200
		<u>216,847,705</u>	<u>256,730,727</u>
11. STORES AND SPARES			
Stores and spares in hand		12,659,167	31,313,964
Less: provision against slow moving items		(168,941)	(657,845)
		<u>12,490,226</u>	<u>30,656,119</u>
12. TRADE DEBTS - Unsecured			
Trade debts - gross		531,274,664	475,688,381
Less: Provision for expected credit losses		(1,169,615)	(2,824,257)
		<u>530,105,049</u>	<u>472,864,124</u>
12.1 Movement in provision for expected credit losses			
Balance at the beginning of the year		2,824,257	2,486,673
Charge recognized during the year	33	-	337,584
Reversal	34	(1,654,642)	-
Balance at the end of the year		<u>1,169,615</u>	<u>2,824,257</u>

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13.	LOANS AND ADVANCES	Note	2025	2024
			Rupees	
	Loans to employees	13.1	4,559,371	3,843,640
	Advances:			
	- to contractors		520,000	600,000
	- to suppliers	13.2	35,823,138	7,113,553
			36,343,138	7,713,553
			40,902,509	11,557,193

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

13.2 This includes Rs. 20 million paid in advance against contractual labour services to be obtained in the future and Rs. 5 million pertains to advance paid against purchase of raw material.

14.	DEPOSITS AND SHORT TERM PREPAYMENTS	Note	2025	2024
			Rupees	
	<i>Deposits</i>			
	- Sui Southern Gas Company against gas tariff	28.1.2	130,413,213	130,413,213
	- Cash margin against bank guarantee	14.1	10,000,000	-
	- Others		5,509,087	572,132
			145,922,300	130,985,345
	<i>Prepayments</i>			
	- Insurance		2,509,069	1,246,902
			148,431,369	132,232,247

14.1 This represents cash margin deposited with M/s. Habib Metro Bank Limited amounting Rs. 10 million (2024: Nil) against issuance of Letter of Guarantee to Sui Southern Gas Company Limited and other beneficiaries on behalf of the Company. (Refer note 28.2.1)

15.	SHORT TERM INVESTMENTS	Note	2025	2024
			Rupees	
	Investment in Habib Islamic Investment Certificate	15.1	1,705,555	1,705,555
	Investment in units of mutual funds	15.2	3,511,391	3,204,875
	Investment in Term Deposit Receipts (TDRs)	15.3	6,450,000	-
			11,666,946	4,910,430

15.1 Investment in Habib Islamic Investment Certificate - At amortized cost

This represents an investment made by the Company in Habib Metro Islamic Investment Certificate which carries profit ranging from 15.5% to 17.5% p.a. (2024: 17% to 18% p.a.).

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

2025	2024	Fund name	2025		2024	
			Cost	Fair value	Cost	Fair value
-- (Number of units) --						
4,556	4,122	Faysal Islamic Cash Fund	346,487	456,664	302,766	412,177
30,427	27,526	Al Habib Islamic Saving Funds	3,042,684	3,054,727	2,063,203	2,792,698
34,983	31,648		3,389,171	3,511,391	2,365,969	3,204,875

15.3 These carry profit at the rates ranging between 10% to 19.5% per annum.

16. OTHER RECEIVABLES	Note	2025	2024
		Rupees	
<i>Receivable from:</i>			
Sana Logistics (Private) Limited	16.1	70,468,000	95,704,575
Lasbela Chamber of Commerce and Industry		1,000,000	1,000,000
Lasbela Industrial Estate Development Authority	16.2	33,196,021	33,196,021
Ovais Shamim Enterprises (Private) Limited		301,107,745	-
Other parties		609,934	471,961
		<u>406,381,700</u>	<u>130,372,557</u>
16.1 Receivable from Sana Logistics (Private) Limited			
Rent		70,468,000	95,468,000
Shared expenses		-	236,575
		<u>70,468,000</u>	<u>95,704,575</u>

16.1.1 The maximum amount due from M/s. Sana Logistics (Private) Limited during the year (by reference to the month end-balance) was Rs. 106.968 million (2024: Rs. 97.868 million).

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

	2025		2024	
	Gross amount receivable	Provision for expected credit losses	Gross amount receivable	Provision for expected credit losses
	Rupees			
Past due 1 day - 30 days	-	-	2,836,575	-
Past due 31 days - 180 days	-	-	6,500,000	-
Past due 181 days - 1 year	12,800,000	-	7,800,000	-
Past due for over one year	57,668,000	-	78,568,000	-
	<u>70,468,000</u>	<u>-</u>	<u>95,704,575</u>	<u>-</u>

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

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

17. TAX REFUNDS DUE FROM GOVERNMENT	Note	2025	2024
		Rupees	
Income tax refundable	17.1	46,666,161	54,999,624
Sales tax refundable		56,416,352	14,354,639
		<u>103,082,513</u>	<u>69,354,263</u>
17.1 Income tax refundable			
Opening balance		54,999,624	59,683,691
Add: taxes deducted at source		32,623,806	43,096,236
		87,623,430	102,779,927
Less: Tax charge (classified as a levy)	36	-	(47,780,303)
Less: Tax charge (classified as current tax)	37	(40,957,269)	-
Closing balance		<u>46,666,161</u>	<u>54,999,624</u>



- 17.1.1 The income tax assessments of the Company have been finalized up to, and including, the tax year 2024. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Company for the purpose of re-assessment.

	Note	2025	2024
		Rupees	
18. CASH AND BANK BALANCES			
Cash in hand		1,316,879	2,895,047
Cash at bank:			
- Balance held in current accounts		5,081,865	14,665,874
- Balance held in saving accounts	18.1	5,746,985	9,736,965
- Investment in Term Deposit Receipt (TDR)		-	1,500,000
		<u>10,828,850</u>	<u>25,902,839</u>
		<u>12,145,729</u>	<u>28,797,886</u>

- 18.1 These carry profit at the average rate ranging between 6% to 10% (2024: 15% to 20%) per annum.

19. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2025	2024		2025	2024
----- No. of shares -----		Ordinary shares of Rs. 10/- each issued:	----- Rupees -----	
6,406,250	6,406,250	- for cash	64,062,500	64,062,500
<u>13,558,750</u>	<u>13,558,750</u>	- as bonus shares	<u>135,587,500</u>	<u>135,587,500</u>
<u>19,965,000</u>	<u>19,965,000</u>		<u>199,650,000</u>	<u>199,650,000</u>

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

	Note	2025	2024
		Rupees	
20. LEASE LIABILITY			
Opening balance		46,692,677	43,211,652
Payments made during the year		(1,034,722)	(2,821,968)
Effect of modification		<u>(19,111,162)</u>	-
		26,546,793	40,389,684
Recognized during the year		-	-
Finance charges	35	4,225,624	6,302,993
		<u>30,772,417</u>	<u>46,692,677</u>
Less: Current maturity shown under current liabilities	20.1	(19,772,249)	(15,957,545)
Closing balance		<u>11,000,168</u>	<u>30,735,132</u>

- 20.1 This includes an amount of Rs. 15.5 million (2024: Rs. 8.3 million) which has become due.

21. LONG TERM FINANCING - Secured
From a banking company

	Note	2025	2024
		Rupees	
Diminishing Musharaka	21.1	59,431,322	86,116,561
Islamic Temporary Economic Refinance Facility (ITERF)	21.2	<u>87,771,199</u>	<u>113,558,197</u>
		<u>147,202,521</u>	<u>199,674,758</u>

21.1	Diminishing Musharaka	Note	2025	2024
			Rupees	
	- Bank Al Habib Limited	21.1.1	52,154,290	67,935,051
	- First Habib Modaraba		138,122	1,594,249
	- Dubai Islami Bank Pakistan Limited	21.1.2	33,962,275	47,547,175
			<u>86,254,687</u>	<u>117,076,475</u>
	- Less: current maturity shown under current liabilities	27	<u>(26,823,365)</u>	<u>(30,959,914)</u>
			<u>59,431,322</u>	<u>86,116,561</u>
21.2	Financing under Islamic Temporary Economic Refinance Facility (ITERF)			
	Balance at the beginning of the year		160,963,413	184,528,021
	Interest recognized on unwinding of the liability	35	23,797,521	17,201,447
	Repayments during the year		<u>(51,502,074)</u>	<u>(40,766,055)</u>
			<u>133,258,860</u>	<u>160,963,413</u>
	Less: Current portion shown under current liabilities	27	<u>(45,487,661)</u>	<u>(47,405,216)</u>
			<u>87,771,199</u>	<u>113,558,197</u>

21.2.1 The Company has obtained a long-term financing facility from M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 100 million (2024: Rs. 100 million) and the drawn down amount is Rs. 64.893 million (2024: Rs. 81.559 million).

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

- (a) The applicable markup rate is 5% per annum (2024: 5%);
- (b) The tenor of the each tranche of the facility is 7 years (including 1-year moratorium period, commencing from the date of disbursement of the funds); and
- (c) Each tranche of the loan is to be repaid in 24 equal quarterly installments.
- (d) The arrangement is secured against the following:
 - Registered exclusive hypothecation charge over specific plant and machinery amounting to Rs. 187.50 million;
 - Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab;

21.2.2 The Company has obtained a long-term financing facility from M/s. Dubai Islamic Bank Limited (DIBL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 116.259 million (2024: Rs. 146.665 million) and the drawn down amount is Rs. 105.740 million (2024: Rs. 134.738 million).

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

- (a) The applicable markup rate is 5% per annum (2024: 5%);
- (b) The tenor of the each tranche of the facility is 7 years (including 1-year moratorium period, commencing from the date of disbursement of the funds); and



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

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

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

22. DEFERRED LIABILITIES	Note	2025	2024
		Rupees	
Deferred government grant	22.1	18,147,487	29,962,855
Staff retirement benefits- defined benefit plan (gratuity)	22.2	39,796,695	74,615,627
Provision for Gas Infrastructure Development Cess	22.3	36,172,812	48,201,073
		<u>94,116,994</u>	<u>152,779,555</u>
22.1 Deferred government grant			
Opening balance		44,222,440	61,237,553
Less: Amortization of government grant for the year	35	(14,280,996)	(17,015,113)
		<u>29,941,444</u>	<u>44,222,440</u>
Less: Current maturity shown under current liabilities		(11,793,957)	(14,259,585)
		<u>18,147,487</u>	<u>29,962,855</u>
22.2 Staff retirement benefits- defined benefit plan (gratuity)			

The Company operates an approved funded gratuity plan for its permanent employees ('the plan'). Actuarial valuation of the plan is carried out every year. Plan assets held in trust are governed by local regulations which mainly include Sind Trust Act, 2020, the Companies Act, 2017, Income Tax Rules, 2002, and the Trust Deed. Responsibility for governance of the plan, including investment decisions and contribution schedules, lies with the Board of Trustees of the plan.

The latest actuarial valuation of the plan as at June 30, 2025 was carried out by M/s. SIR Consultants using the Projected Unit Credit Method. Details of the plan as per the actuarial valuation are as follows:

	Note	2025	2024
		Rupees	
Present value of the defined benefit obligation	22.2.1	136,937,572	132,200,694
Fair value of the plan assets	22.2.2	(97,140,877)	(57,585,067)
		<u>39,796,695</u>	<u>74,615,627</u>
22.2.1 Movement in defined benefit obligation			
Opening defined benefit obligation		132,200,694	125,805,727
Current service cost		11,576,654	11,464,868
Interest cost		18,903,353	19,661,034
Benefits paid by the fund		(8,084,736)	(9,629,493)
Remeasurement gain on obligation		(17,658,393)	(15,101,442)
Closing defined benefit obligation		<u>136,937,572</u>	<u>132,200,694</u>

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		2025	2024
	Note	Rupees	
22.2.2	Movement in the fair value of plan assets		
		57,585,067	50,725,326
	Balance at beginning of the year	7,897,548	7,785,469
	Expected return on plan assets	-	4,000,000
	Contribution	(8,084,736)	(9,629,493)
	Benefits paid by the fund	39,742,998	4,703,765
	Remeasurement gain on plan assets	<u>97,140,877</u>	<u>57,585,067</u>
	Balance at end of the year		
22.2.3	Expense recognized in the statement of profit or loss		
		11,576,654	11,464,868
	Current service cost	11,005,805	11,875,565
	Net interest expense	<u>22,582,459</u>	<u>23,340,433</u>
	<i>Allocation of the expenses:</i>		
-	Cost of sales	9,600,000	9,336,173
-	Administrative expenses	11,062,459	12,137,025
-	Distribution cost	1,920,000	1,867,235
		<u>22,582,459</u>	<u>23,340,433</u>
22.2.4	Remeasurement gain / (loss) recognised in other comprehensive income		
	<i>Remeasurement of the present value of defined benefit obligation</i>		
	- Financial assumptions	8,121,035	6,923,299
	- Demographic assumptions	(6,725)	(900,488)
	- Experience adjustments	9,544,083	9,078,631
		<u>17,658,393</u>	<u>15,101,442</u>
	<i>Remeasurement of the fair value of plan assets</i>		
	- Financial assumptions	39,742,998	4,703,765
		<u>57,401,391</u>	<u>19,805,207</u>

22.2.5 Sensitivity analysis

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

	Impact on defined benefit obligation		
	Change in assumption	Increase	Decrease
	Rupees		
June 30, 2025			
Discount rate	1%	132,566,285	141,797,455
Expected rate of salary increase	1%	142,441,969	131,880,335
Mortality age	1 year	136,936,976	136,938,171
Withdrawal rates	10%	136,927,948	136,947,958
	Impact on defined benefit obligation		
	Change in assumption	Increase	Decrease
	Rupees		
June 30, 2024			
Discount rate	1%	127,825,456	137,069,998
Expected rate of salary increase	1%	137,675,519	127,179,975
Mortality age	1 year	125,805,727	125,805,727
Withdrawal rates	10%	132,200,694	132,200,694

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22.2.6	Principal assumptions used	2025	2024
	Withdrawal rates	High	High
	Mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Expected rate of increase in future salary (per annum)	6.75%	14.75%
	Discount rate - per annum	11.75%	14.75%
	Expected rate of return on plan assets	11.75%	14.75%
	Normal retirement age	60 years	60 years
		2025	2024
22.2.7	Composition of plan assets	Rupees	
	Equity securities and units of mutual funds	94,270,664	55,532,583
	Bank balances	1,674,833	857,104
	Investment Certificate	1,195,380	1,195,380
		<u>97,140,877</u>	<u>57,585,067</u>

22.2.8 The duration as at valuation date works out to 3.37 years (2024: 3.5 years).

22.3	Gas Infrastructure Development Cess liability	Note	2025	2024
			Rupees	
	Opening balance		67,984,393	57,993,763
	Unwinding of GIDC liability	35	11,711,723	9,990,630
			<u>79,696,116</u>	<u>67,984,393</u>
	Less: current maturity shown under current liabilities		<u>(43,523,304)</u>	<u>(19,783,320)</u>
			<u>36,172,812</u>	<u>48,201,073</u>

22.3.1 Provision for Gas Infrastructure Development Cess

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

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

During the year ended June 30, 2021, the Supreme Court (SC) passed two judgements; one dated August 13, 2020, thereby upholding the levy of GIDC imposed vide GIDC Act, 2015, and stopping further levy with effect from August 13, 2020. The other judgement dated November 2, 2020 directed payment of amount levied till that date in 48 instalments instead of 24 instalments allowed in order dated August 13, 2020. In July 2020, Sui Southern Gas Company vide its gas bill charged an amount of Rs. 156.5 million against GIDC. the Company has recognized a provision based on the units consumed at applicable rates amounting to Rs. 95 million (2024 : Rs. 95 million) and remaining amount of Rs. 61.5 million (2024 : Rs. 61.5 million) has not been acknowledged as debt. (refer note 28.1.1).

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23.	SHORT TERM BORROWINGS - Secured	Note	2025	2024
			Rupees	
	<i>Istisna financing:</i>			
	Habib Metropolitan Bank Limited	23.1	227,511,686	299,760,773
	Habib Bank Limited	23.2	181,173,741	199,889,169
	Bank Al Habib Limited	23.3	20,505,304	42,252,687
			<u>429,190,731</u>	<u>541,902,629</u>
	<i>Murabaha financing:</i>			
	Bank Al Habib Limited	23.4	103,934,337	82,533,580
	<i>Wakala Financing:</i>			
	Dubai Islamic Bank Limited	23.5	189,752,904	189,960,056
			<u>722,877,972</u>	<u>814,396,265</u>

23.1 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 248 million (2024: Rs. 300 million) as a sub-limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2024: 6 months KIBOR + 3%). The maximum tenor of the Istisna Financing is 120 days (2024: 150 days).

The arrangement is secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to Rs. 550 million with 40 % margin (2024: Rs. 550 million with the 30% margin);
- 1st charge registered over stocks / receivables amounting to Rs. 400 million (2024: Rs. 400 million) with a 25% margin; and
- Equitable mortgage over industrial property having market value of Rs. 1,615.142 million.
- Cash margin of Rs. 10 million.
- Personal guarantees of the directors and corporate guarantee of Sana Logistics (Private) Limited and Sana Distributors (Private) Limited .

23.2 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 200 million (2024: Rs. 200 million) . The mark-up rate on the financing is 6 months KIBOR + 1.5% per annum (2024 : 6 months KIBOR + 1.5% per annum) . The maximum tenor of the Istisna Financing is 180 days (2024: 180 days).

The arrangement is secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to Rs. 267 million with the 40% margin (2024 : Rs. 267 million with the 40% margin);
- 1st charge registered over stocks / receivables amounting to Rs. 267 million with a 25% margin (2024: Rs. 267 million with a 25% margin; and
- Personal guarantees of directors namely Mr. Muhammad Yunus Nawab, Mr. Muhammad Irfan Nawab, Mr. Muhammad Ibrahim Yunus , Mr. Muhammad Ismail Yunus and Mr. Faizanullah.

23.3 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 50 million (2024 : Rs. 50 million). The mark-up rate on the financing is 6 months KIBOR + 1.75% per annum (2024: 6 months KIBOR + 1.75% per annum). The maximum tenor of the Istisna Financing is 120 days (2024: 120 days).



The arrangement is secured against the following:

- Equitable mortgage charge registered over land, building and plant and machinery amounting to Rs. 551.328 million (2024: Rs. 551 million);
- pari passu charge registered over stocks / receivables amounting to Rs. 167 million with a 25% margin (2024:Rs. 167 million with a 25% margin) ; and
- Personal guarantees of directors namely Mr. Muhammad irfan nawab, Mr. Muhammad Yunus Nawab and Mr. Muhammad Ibrahim Yunus, covering aggregate exposure

23.4 Short term murabaha has been obtained, under shariah arrangement, to facilitate the import of raw material and other related items. The bank has approved a facility of Rs. 125 million (2024: Rs. 125 million). The markup rate on murabaha facility is average KIBOR + 1.75% (2024: average KIBOR + 1.75%) . The maximum tenor of the murabaha is 120 days.

The arrangement is secured against the following:

- Pari-Passu charge over stocks and receivables amounting to Rs. 167 million with a 25% margin (2024: Rs. 167 million with a 25% margin);

23.5 Short term wakala financing has been obtained under shariah arrangement for the purchase of raw material. The bank has approved the facility of Rs. 190 million (2024: Rs. 190 million). The markup rate on the facility is matching KIBOR + 1.75% per annum (2024: matching KIBOR + 1.75% per annum). The maximum tenor is 180 days (2024: 180 days).

The arrangement is secured against the following:

- First pari passu charge over current assets of the Company with 25% margin amounting to Rs. 307 million.
- Corporate guarantee of M/s Sana Logistics (Private) Limited and M/s Sana Distributors (Private) Limited and;
- Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab; along with personnel net worth statements.

23.6 As at June 30, 2025, the Company had unavailed short term financing facilities amounting to Rs. 40.122 million (2024: Rs. 604,000).

24.	TRADE AND OTHER PAYABLES	<i>Note</i>	2025	2024
			Rupees	
	Creditors		132,725,649	192,438,164
	Advance from customers	46.2	200,192,582	96,609,950
	Accrued expenses		151,422,521	125,866,335
	Provision for gas tariff difference	24.1	51,505,591	51,505,591
	Workers' Profits Participation Fund payable	24.2	12,355,992	12,355,992
	Workers' Welfare Fund payable	24.3	596,811	3,596,811
	Sales tax payable		48,800,851	16,936,903
	Withholding Income tax payable		21,213,770	10,112,585
	Payable to Sana Distributors (Private) Limited		22,472,626	3,722,445
	Others	46.2	907,000	157,001
			642,193,393	513,301,777
24.1	Provision for gas tariff difference			
	Provision under Suit 129 of 2017	24.1.1	51,505,591	51,505,591

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24.1.1 On December 30, 2016, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. (1)/2016 whereby, with effect from December 15, 2016, the sale price of natural gas for gas consumers falling under the category 'Industrial' was increased to Rs. 600 per MMBTU (as against the previously applicable tariff of Rs. 488.23 per MMBTU notified vide S.R.O. 01(I)/2013 dated January 01, 2013). The said notification was widely challenged by companies operating in the textile industry (including the Company vide Suit No. 129 of 2017) before the Honourable High Court of Sindh ('the Court'). In its interim order dated January 18, 2017, the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 488.23 per MMBTU and the differential amount of Rs. 111.77 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, until September 2018, the Company continued to pay its monthly gas bills at the rate of Rs. 488.23 per MMBTU and recognized a provision for the differential liability which, as at June 30, 2024, amounted to Rs. 51.506 million (2024: Rs. 51.506 million).

On September 06, 2024, the Sindh High Court declared the impugned notification void ab initio, a decision favorable to the Company. During the year the Federation and Sui Southern Gas Company (SSGC) filed an appeal (H.C.A No. 336 of 2024), which the Court dismissed on February 03, 2025, directing the Nazir to release the post-dated cheques. The Federation and other parties have now challenged this decision before the Honourable Supreme Court of Pakistan through C.P.L.A No. 1017 of 2025, which remains pending as of the reporting date. However, the provision is not reversed in these financial statements as a matter of prudence.

		2025	2024
		Rupees	
24.2	Workers' Profit Participation Fund payable		
	Opening balance	12,355,992	19,997,203
	Add: interest accrued	-	1,807,400
	Less: payments during the year	-	(9,448,611)
		<u>12,355,992</u>	<u>12,355,992</u>
24.3	Workers' Welfare Fund payable		
	Opening balance	3,596,811	3,596,811
	Less: payments during the year	(3,000,000)	-
		<u>596,811</u>	<u>3,596,811</u>
25.	LOAN FROM DIRECTORS - unsecured		
	Loan from directors	<u>106,550,000</u>	<u>19,500,000</u>
25.1	These represent short-term interest-free borrowings from directors to meet working capital requirements of the Company. The loans are repayable on demand.		
26.	ACCRUED MARKUP	<i>Note</i>	Rupees
	<i>Markup accrued on:</i>		
	-Short term borrowings	22,532,471	40,058,668
	-Long term financing- Diminishing Musharaka	298,581	1,703,401
		<u>22,831,052</u>	<u>41,762,069</u>
27.	CURRENT PORTION OF LONG-TERM FINANCING		
	Current maturity of long term musharaka	21.1 26,823,365	30,959,914
	Current maturity of ITERF	21.2 45,487,661	47,405,216
		<u>72,311,026</u>	<u>78,365,130</u>
28.	CONTINGENCIES AND COMMITMENTS		
28.1	Contingencies		
28.1.1	The Company has not recognized the additional amount of cess in respect of GIDC amounting to Rs. 61.5 million (being the difference of Rs. 95 million recognized in books as mentioned in note 22.3.1, and Rs. 156.5 million as notified to the Company through monthly gas bills upto July 2020).		



28.1.2 The sale price of natural gas for 'export oriented power' was increased by OGRA from Rs. 1,100 per MMBTU to Rs. 2,400 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated November 08, 2023. The said notification was challenged by several petitioners in the Sindh High Court (SHC) on constitutional and factual grounds. Through an interim order dated December 18, 2023, the SHC suspended the notification subject to the condition that the petitioners (gas consumers) deposit the differential amount of Rs. 1,300 per MMBTU in cash with the Nazir of the Court within seven days. The order further provided that failure to make payment for two consecutive months would result in recall of the interim relief in respect of the defaulting party. The Company joined these proceedings on February 13, 2024 to avail the benefit of this injunction.

Subsequently, OGRA further increased the sale price of natural gas from Rs. 2,400 per MMBTU to Rs. 2,750 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated February 15, 2024. The Company also challenged this notification before the SHC on constitutional and factual grounds. Through its interim order dated May 6, 2024, the SHC suspended the said notification subject to the condition that the Company deposit the differential amount of Rs. 1,650 per MMBTU in cash with the Nazir of the Court within seven days, with similar recall provisions in the event of two consecutive defaults.

In compliance with these interim orders, the Company has paid its gas bills at the revised notified rates under protest and deposited the differential amounts with the Nazir of the Court. Based on the suspension of these notifications, no provision has been recognized in respect of gas costs amounting to Rs. 130.4 million. As of the reporting date, the Company had paid an excess of Rs. 96.1 million to SSGC against bills for the period November 2023 to June 2024.

During the year ended 30 June 2025, the matter earlier disclosed as Suit No. 731 of 2023 before the Sindh High Court was transferred to the Court of the II Senior Civil Judge, Karachi East, and renumbered as Suit No. 6416 of 2025. The case remains pending adjudication.

28.1.3 During the year, the Off the Grid (Captive Power Plants) Levy Ordinance, 2025 was promulgated by the President on January 31, 2025 and, within 120 days, was approved by Parliament on May 31, 2025. Under this Act, every captive power plant is required to pay to the Federal Government a levy on the consumption of natural gas or RLNG at the rate prescribed under Section 4 of the Act, as notified by the Federal Government from time to time.

On March 07, 2025, the Federal Government, through a notification, set the levy at Rs. 791 per MMBTU. The Ministry of Energy subsequently directed SSGC to recover this levy at the notified rate retrospectively for the month of February 2025, and SSGC issued the corresponding bill on May 02, 2025.

The Company, along with other affected parties, filed a constitutional petition (C.P. No. 1802 of 2025) before the Honourable Sindh High Court, Karachi, on May 6, 2025, challenging the retrospective application of the notification. Through its interim order of the same date, the Court directed that, until further orders, the plaintiffs (gas consumers) shall deposit the amount demanded for February 2025 with the Nazir of the Court in the form of a pay order or bank guarantee. In compliance, the Company furnished a bank guarantee amounting to Rs. 9,857,627, equivalent to Rs. 791 per MMBTU (refer note 28.2), on May 07, 2025. Accordingly, no provision has been recognized in respect of this amount, pending the final outcome of the matter.

Subsequently, the bill for the month of March 2025 was also issued by SSGC, charging a levy of Rs. 7,741,664. For the months of April, May, and June 2025, no notification of rates has been issued by the Ministry of Energy; therefore, due to uncertainty regarding the applicable amount, no provision has been recognized for these periods.

Consequently, the Company, along with other affected parties, challenged the levy before the Honourable High Court of Balochistan at Quetta on the grounds that, besides being unconstitutional, the impugned levy is arbitrary and unjust as it penalizes captive power plants located in regions where reliable grid electricity is not available. The Company is situated in the LEIDA industrial zone, Balochistan, where there exists a chronic shortfall in the supply of grid electricity. The Company's reliance on captive power plants is therefore not a matter of choice but of necessity, arising from the lack of adequate and reliable supply from the National Grid.

On July 23, 2025, the Honourable High Court of Balochistan, Khuzdar Bench at Quetta, granted an interim stay to the Company, subject to the submission of post-dated cheques equivalent to the levy amount determined in accordance with the Off the Grid (Captive Power Plants) Levy Act, 2025.

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			2025	2024
		Note	Rupees	
28.2	Commitments			
	Irrevocable letters of credit issued in respect of purchase of raw materials and capital expenditure		-	58,240,067
	Custom duties, sales tax and income taxes on stock in transit.		3,500,000	17,968,030
	Revolving letter of guarantee issued by commercial banks in favour of Sui Southern Gas Company Ltd.	28.2.1	64,497,000	33,420,771
	Off the Grid (Caprive Power Plants) Levy	28.2.2	9,857,630	-
28.2.1	This includes Letter of Guarantee issued on behalf of the Company by commercial banks in favour of Sui Southern Gas Company Limited (SSGC) against the security deposit demanded by the SSGC. (Refer note 14.1)			
28.2.2	This represents Bank Guarantee against off the grid levy in favour of Sui Southern Gas Company Limited. (Refer note 28.1.3)			
			2025	2024
29.	REVENUE - net	Note	Rupees	
	Yarn sales		2,843,506,136	4,480,716,456
	Wastage sales		10,187,139	17,774,260
			2,853,693,275	4,498,490,716
	Less: Sales tax		(435,767,524)	(690,927,785)
	Less: Commission and discounts		(1,632,273)	(3,373,534)
			2,416,293,478	3,804,189,397
30.	COST OF SALES			
	Raw and packing materials consumed	30.1	1,622,827,648	2,328,009,874
	Manufacturing expenses			
	Salaries, wages and benefits	30.2	177,143,223	365,558,854
	Fuel and power	30.3	256,797,384	566,305,853
	Stores and spares consumed		58,242,727	79,225,925
	Depreciation on operating fixed assets	4.1.2	41,787,188	38,515,190
	Repairs and maintenance		3,363,625	17,994,056
	Services procured		640,000	10,977,063
	Vehicle repairs and maintenance		6,961,352	8,532,160
	Water expenses		8,812,181	7,852,268
	Loading and unloading expenses		4,758,767	6,492,757
	Security expenses		287,412	5,633,976
	Insurance		4,542,619	4,668,701
	Entertainment expenses		1,892,078	1,777,370
	Rent, rates and taxes		350,000	192,450
	Other manufacturing expenses		2,468,660	1,674,649
			568,047,216	1,115,401,272
	Work-in-process - opening stock		27,929,539	35,348,344
	Work-in-process - closing stock	10	(21,695,435)	(27,929,539)
			6,234,104	7,418,805
			2,197,108,968	3,450,829,951
	Cost of goods manufactured			
	Finished goods - opening stock		87,065,991	143,434,226
	Waste material- opening stock		4,433,200	991,825
	Finished goods - closing stock	10	(72,043,681)	(87,065,991)
	Waste material- closing stock	10	(3,628,172)	(4,433,200)
			15,827,338	52,926,860
			2,212,936,306	3,503,756,811

		2025	2024
		Rupees	
30.1	Raw and packing materials consumed		
	Opening stock	77,150,516	79,770,761
	Add: Purchases during the period	1,627,207,052	2,325,389,629
		<u>1,704,357,568</u>	<u>2,405,160,390</u>
	Less : Closing stock	(81,529,920)	(77,150,516)
		<u><u>1,622,827,648</u></u>	<u><u>2,328,009,874</u></u>

30.2 This includes an amount of Rs. 9.6 million (2024: Rs. 9.336 million) in respect of staff retirement benefits.

		2025	2024
		Rupees	
30.3	Fuel and power- generation costs		
	Gas expenses	192,901,866	387,843,036
	Electricity	39,152,447	137,468,517
	Generator operation and maintenance	15,392,711	30,813,728
	Repairs and maintenance	1,693,500	2,279,820
	Depreciation on operating fixed assets	7,058,976	7,053,248
	Insurance	397,334	564,090
	Electricity duty	200,550	283,414
		<u>256,797,384</u>	<u>566,305,853</u>

31. ADMINISTRATIVE EXPENSES

	Salaries, wages and other benefits	31.1	33,297,797	30,921,484
	Directors' remuneration	31.2	32,098,459	33,491,000
	Meeting fee		260,000	260,000
	Printing and stationery		667,860	585,727
	Legal and professional charges		636,120	3,908,673
	Fees and subscription		2,468,134	3,138,297
	Travelling and conveyance		143,760	282,432
	Repairs and maintenance		4,982,690	5,919,966
	Depreciation on operating fixed assets	4.1.2	8,751,393	11,503,073
	Depreciation on right-of-use assets	5	4,041,190	6,291,368
	Security expenses		388,376	344,753
	Electricity and gas		1,277,488	4,943,494
	Insurance		2,042,130	2,036,300
	Rent, rates and taxes		1,364,000	-
	Auditors' remuneration	31.3	1,496,000	1,360,000
	Entertainment expenses		1,932,187	-
	Miscellaneous		3,284,144	4,291,197
			<u>99,131,728</u>	<u>109,277,764</u>

31.1 This includes an amount of Rs. 9.84 million (2024: Rs. 9.261 million) in respect of staff retirement benefits.

31.2 This includes an amount of Rs. 1.22 million (2024: Rs. 2.876 million) in respect of staff retirement benefits.



	2025	2024
Note	Rupees	
31.3 Auditors' remuneration		
Audit fee (including audit of consolidated financial statements)	1,031,050	965,100
Half yearly review fee	350,000	290,400
Statutory certifications	84,700	77,000
Out-of-pocket expenses	30,250	27,500
	<u>1,496,000</u>	<u>1,360,000</u>

32. DISTRIBUTION EXPENSES

Salaries, wages and benefits	32.1	11,192,015	10,292,935
Packing and forwarding expenses		24,822,349	32,070,343
Communication		730,931	741,120
Sales promotion expenses		815,028	555,980
Miscellaneous expense		283,320	491,742
		<u>37,843,643</u>	<u>44,152,120</u>

32.1 This includes an amount of Rs. 1.92 million (2024: Rs. 1.867 million) in respect of staff retirement benefits.

	2025	2024
Note	Rupees	
33. OTHER OPERATING EXPENSES		
Provision for expected credit losses	12.1	337,584
Provision against slow moving store items		498,035
		<u>835,619</u>

34. OTHER INCOME

Rental income		37,180,000	15,600,000
<i>Less: Related expenses</i>			
Depreciation on property, plant and equipment	4.1.2	(2,830,560)	(6,466,909)
Depreciation on investment property	6	(2,291,040)	(4,582,080)
Insurance		(945,289)	(925,132)
		<u>(6,066,889)</u>	<u>(11,974,121)</u>
		31,113,111	3,625,879
Return on deposits - Islamic bank		1,177,669	1,961,896
Profit on Habib Islamic Investment Certificate		-	301,783
Profit on Term Deposit Receipts (TDRs)		103,251	181,988
		1,280,920	2,445,667
Gain on sale of operating fixed assets		22,433,610	-
Gain on sale of investment property	34.2	266,342,550	-
Unrealized gain on short term investment		306,516	526,748
Others		56,200	189,148
Reversal of provision for slow moving store items		488,904	-
Reversal of provision for expected credit losses		1,654,642	-
Insurance claim received	34.1	3,675,835	-
		<u>327,352,288</u>	<u>6,787,442</u>

34.1 This represents insurance claim received from various insurance providers against stock and fire insurance claims.

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		2025	2024
	<i>Note</i>	— Rupees —	
34.2	Gain on sale of investment property		
	Total gain on disposal	349,640,169	-
	Less : Disposal costs incurred	(83,297,619)	-
		<u>266,342,550</u>	<u>-</u>
35.	FINANCE COSTS		
	Markup and interest charges on:		
	- Long term financing	18,020,996	32,043,330
	- Short term borrowings	148,089,642	200,831,814
	- Lease liability	4,225,624	6,302,993
	Financing under ITERF facility	23,797,521	17,201,447
	Amortization of related deferred government grant	(14,280,996)	(17,015,113)
		9,516,525	186,334
	Bank charges	825,390	181,121
	Documentation charges	-	80,911
	Unwinding of GID cess liability	11,711,723	9,990,630
	Guarantee commission	586,946	331,503
	Local letter of credit charges	-	37,852
		<u>192,976,846</u>	<u>249,986,488</u>
36.	LEVIES		
	Minimum tax under normal tax regime	-	47,780,303
37.	TAXATION		
	Current	39,990,848	-
	Prior	966,421	-
		40,957,269	-
	Deferred	48,366,609	(69,318,100)
		<u>89,323,878</u>	<u>(69,318,100)</u>
37.1	Relationship between tax expense and accounting profit before taxation		
			2025
			— Rupees —
	Profit before taxation		<u>200,757,243</u>
	Tax at the applicable rate of 29%		58,219,600
	<i>Tax effect of:</i>		
	- excess of minimum tax over corporate tax		(35,847,105)
	- tax effects on admissible / inadmissible adjustment		92,594,197
	- benefit of unused tax losses and tax credits for which deferred tax was not previously recognized		(21,973,014)
	- super tax under section 4C		(4,143,743)
	- prior year charge		966,421
	- Others		(492,478)
			<u>89,323,878</u>

38.	LOSS PER SHARE	2025	2024
38.1	Basic earning / (loss) per share	----- Rupees -----	
	Profit / (loss) after taxation	<u>111,433,365</u>	<u>(75,494,166)</u>
	Weighted average number of ordinary shares outstanding during the year	<u>19,965,000</u>	<u>19,965,000</u>
	Earnings / (loss) per share - basic	<u>5.58</u>	<u>(3.78)</u>

38.2 Diluted earning / (loss) per share

There is no dilutive effect on the basic earning / (loss) per share of the Company, since there were no potential shares in issue as at June 30, 2025 and June 30, 2024.

39. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	<u>Chief Executive</u>		<u>Executive Director</u>		<u>Executives</u>		<u>Total</u>	
	2025	2024	2025	2024	2025	2024	2025	2024
	----- Rupees -----							
Basic salary	13,708,200	13,708,200	6,978,720	6,978,720	12,216,780	11,039,590	32,903,700	31,726,510
House rent allowance	5,319,600	5,319,600	2,708,160	2,708,160	4,740,840	4,284,020	12,768,600	12,311,780
Retirement benefits	810,063	1,644,743	412,396	970,257	1,570,291	5,072,482	2,792,750	7,687,482
Utilities	1,432,200	1,432,200	729,120	729,120	1,276,380	1,153,390	3,437,700	3,314,710
	<u>21,270,063</u>	<u>22,104,743</u>	<u>10,828,396</u>	<u>11,386,257</u>	<u>19,804,291</u>	<u>21,549,482</u>	<u>51,902,750</u>	<u>55,040,482</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>4</u>		

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

40.	PLANT CAPACITY AND ACTUAL PRODUCTION	2025	2024
		----- Number -----	
	Number of spindles installed	<u>39,588</u>	<u>39,588</u>
	Number of spindles operated	<u>39,588</u>	<u>39,588</u>
	Installed capacity in kgs. after conversion into 30 single count	<u>8,476,187</u>	<u>8,476,187</u>
	Actual production of yarn in kgs. after conversion into 30 single count	<u>4,726,276</u>	<u>7,182,054</u>
	Number of shifts worked per day	<u>3</u>	<u>3</u>

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

41. FINANCIAL INSTRUMENTS

41.1 Financial risk analysis

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

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

41.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

Exposure to credit risk

Credit risk of the Company mainly arises from deposits with banks, trade debts and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and also obtain advance payment against local sales. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position and considers past experience.

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

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

		2025	2024
		————— Rupees —————	
Long-term deposits		94,728,521	13,813,051
Trade debts	(a)	531,274,664	475,688,381
Short term loan to employees		4,559,371	3,843,640
Short term trade deposits		5,509,087	572,132
Cash margin against bank guarantee		10,000,000	-
Short term investments		11,666,946	1,705,555
Other receivables		372,185,679	96,176,536
Bank balances	(b)	10,828,850	25,902,839
		<u>1,040,753,118</u>	<u>617,702,134</u>

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

	30-Jun-25		30-Jun-24	
	Gross carrying amount	Life time expected credit losses	Gross carrying amount	Life time expected credit losses
	————— Rupees —————			
Not past due	502,317,372	-	292,564,069	-
Past due 1 day - 30 days	12,178,460	-	32,935,426	-
Past due 31 days - 60 days	3,326,825	-	9,428,432	-
Past due 61 days - 90 days	762,963	26,232	11,902,509	63,343
Past due 91 days - 120 days	249,001	4,232	24,112,697	10,218
Above 120 days	12,440,043	1,139,151	104,745,248	2,750,696
	<u>531,274,664</u>	<u>1,169,615</u>	<u>475,688,381</u>	<u>2,824,257</u>

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The bank balances along with credit ratings are tabulated below:

Bank	Rating agency	Short-term Rating	2025	2024
			----- Rupees -----	
Habib Metropolitan Bank Limited	PACRA	A-1+	4,049,762	16,560,483
Meezan Bank Limited	JCR-VIS	A-1+	3,244,137	2,056,798
Bank Al-Habib Limited	PACRA	A-1+	1,433,280	4,087,140
Bank Alfalah Limited	PACRA	A-1+	640,958	555,676
United Bank Limited	JCR-VIS	A-1+	34,334	176,831
National Bank of Pakistan	JCR-VIS	A-1+	6,631	454,084
Habib Bank Limited	JCR-VIS	A-1+	196,837	850,902
Faysal Bank Limited	JCR-VIS	A-1+	4,829	220,663
Dubai Islamic Bank Limited	JCR-VIS	A-1+	942,374	500,124
Al-Baraka Bank Limited	JCR-VIS	A-1	200,000	200,000
J.S Bank Limited	PACRA	A-1+	75,708	240,138
			10,828,850	25,902,839

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As of the reporting date, the Company was exposed to the following concentrations of credit risk:

	June 30, 2025			June 30, 2024		
	Total exposure	Concentration	% of total exposure	Total exposure	Concentration	% of total exposure
	----- Rupees in '000' -----					
Trade debts - unsecured	530,105,049	459,737,449	87%	472,864,124	303,459,547	64%
Loans and advances	40,902,509	35,823,138	88%	11,557,193	7,113,553	62%
Trade deposits and short term prepayments	148,431,369	130,413,213	88%	132,232,247	130,413,213	99%
Bank balances	10,828,850	8,727,179	81%	25,902,839	22,704,421	88%
Other receivables	406,381,700	301,107,745	74%	130,372,557	128,900,596	99%
		935,808,724			592,591,330	

41.1.2 *Liquidity risk*

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

	June 30, 2025							
	Carrying amount	Contractual Cash flows	Repayable on demand	Not later than one month	One to three months	Three months to one year	One to five years	More than Five years
	Amount in Rs.							
Lease liability	30,772,417	33,631,163	15,453,773	671,000	1,342,000	6,642,900	9,521,490	-
Long term financing including accrued markup	219,812,128	276,902,679	-	6,622,927	12,745,523	56,873,660	200,660,569	-
Short term borrowings including accrued markup	745,410,443	772,598,643	-	133,896,650	415,138,398	223,563,595	-	-
Trade and other payables	307,527,796	571,581,961	-	-	-	571,581,961	-	-
Loan from directors and sponsors	106,550,000	106,550,000	106,550,000	-	-	-	-	-
	<u>1,410,072,784</u>	<u>1,761,264,446</u>		<u>141,190,577</u>	<u>429,225,921</u>	<u>858,662,116</u>	<u>210,182,059</u>	<u>-</u>

	June 30, 2024							
	Carrying amount	Contractual Cash flows	Repayable on demand	Not later than one month	One to three months	Three months to one year	One to Five years	More than Five years
	Amount in Rs.							
Lease liability	46,692,677	54,647,871	-	10,865,696	3,414,581	9,943,675	30,423,919	-
Long term financing including accrued markup	279,743,289	417,793,838	-	9,396,200	18,558,879	147,331,075	230,583,316	11,924,368
Short term borrowings including accrued markup	854,454,933	1,413,191,988	-	172,424,298	447,883,798	792,883,892	-	-
Trade and other payables	322,183,945	322,183,945	-	-	-	322,183,945	-	-
Loan from directors and sponsors	19,500,000	19,500,000	19,500,000	-	-	-	-	-
	<u>1,522,574,844</u>	<u>2,227,317,642</u>	<u>19,500,000</u>	<u>192,686,194</u>	<u>469,857,258</u>	<u>1,272,342,587</u>	<u>261,007,235</u>	<u>11,924,368</u>

41.1.3 Market risk

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

i) Foreign currency risk

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

ii) Interest rate risk

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

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

	2025	2024	2025	2024
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - <i>Saving account</i>	6%-10%	10%-20%	<u>5,746,985</u>	<u>9,736,965</u>
Term deposit receipt	-	-	<u>6,450,000</u>	<u>1,500,000</u>
Short term investments	15.5%-17.5%	17%-18%	<u>1,705,555</u>	<u>1,705,555</u>
Financial Liabilities				
Short term borrowings	11.13%-20.89%	18.1%-22.3%	<u>722,877,972</u>	<u>814,396,265</u>

Sensitivity analysis

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

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

	(Decrease) / increase in profit before tax	
	100 bp increase	100 bp (decrease)
As at June 30, 2025		
Cash flow sensitivity-Variable rate financial instrument	<u>(7,089,754)</u>	<u>7,089,754</u>
As at June 30, 2024		
Cash flow sensitivity-Variable rate financial liabilities	<u>(8,014,537)</u>	<u>8,014,537</u>

iii) Other price risk

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

41.2 Financial instruments by categories

	June 30, 2025		
	At fair value through profit or loss	At Amortized cost	Total
Financial assets			
	Rupees		
Long term deposits	-	94,728,521	94,728,521
Trade debts - unsecured	-	531,274,664	531,274,664
Short term loan to employees	-	4,559,371	4,559,371
Short term trade deposits	-	5,509,087	5,509,087
Short term investments	3,511,391	8,155,555	11,666,946
Other receivables	-	372,185,679	372,185,679
Cash and bank balances	-	12,145,729	12,145,729
	<u>3,511,391</u>	<u>1,028,558,606</u>	<u>1,032,069,997</u>
As at June 30, 2025			
Financial liabilities			Financial liabilities at amortized cost - Rupees -
Long term financing including accrued markup			219,812,128
Lease liability			30,772,417
Short term borrowings including accrued markup			745,410,443
Trade and other payables			307,527,796
Loans from directors and sponsors			106,550,000
			<u>1,410,072,784</u>

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

Financial liabilities	Financial liabilities at amortized cost – Rupees –
Long term financing including accrued markup	279,743,289
Lease liability	46,692,677
Short term borrowings including accrued markup	854,454,933
Trade and other payables	322,183,945
Loans from directors and sponsors	19,500,000
	<u>1,522,574,844</u>

42. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Level 2 : Valuation techniques based on observable inputs.

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

Fair values of financial assets that are traded in active markets are based on quoted market prices.

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

June 30, 2025	Level 1	Level 2	Level 3	Total
Amount in Rupees				
<i>Financial assets measured at fair value</i>				
Short term investment in units of mutual funds	3,511,391	-	-	3,511,391
	Amount in Rupees			
June 30, 2024	Level 1	Level 2	Level 3	Total
<i>Financial assets measured at fair value</i>				
Short term investments	3,204,875	-	-	3,204,875

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43. CAPITAL MANAGEMENT

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

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

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

	2025	2024
	Rupees	
Borrowings:		
Long term financing	219,812,128	279,743,289
Loans from directors and sponsors	106,550,000	19,500,000
	<u>326,362,128</u>	<u>299,243,289</u>
Shareholders' equity:		
- Issued, subscribed and paid up capital	199,650,000	199,650,000
- General reserve	132,500,000	132,500,000
- Share premium	96,250,000	96,250,000
- Unappropriated profits	397,655,399	245,467,046
	826,055,399	673,867,046
Total capital managed by the Company	<u><u>1,152,417,527</u></u>	<u><u>973,110,335</u></u>

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

44. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of the subsidiary companies, key management personnel and directors of the Company as well as their close family members and employees' gratuity fund. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive, Directors is disclosed in note 39 to the unconsolidated financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

<u>SUBSIDIARIES</u>	2025	2024
	Rupees	
Sana Logistics (Private) Limited		
<i>Transactions during the year</i>		
Rental income earned	7,800,000	15,600,000
Rent received during the year	36,500,000	-
Loan obtained during the year	52,025,000	-
Loan repaid during the year	50,025,000	-
Reimbursement of operation and maintenance expenses to Sana Logistics (Private) Limited	-	5,000,000
<i>Balances as at the year end</i>		
Rent receivable from Sana Logistics (Private) Limited	70,468,000	95,468,000
Receivable from Sana Logistics (Private) Limited in respect of operation and maintenance expenses.	-	236,575
Loan payable	2,000,000	-

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	2025	2024
	Rupees	
Sana Distributors (Private) Limited		
<i>Transactions during the year</i>		
Loan received during the year	146,887,500	
Loan repaid during the year	130,137,500	
Rental income earned	-	1,290,000
Received from Sana Distribution (Private) Limited in respect of rent, operation and maintenance expenses.	530,000	2,036,740
Rent, operation and maintenance expenses repaid to Sana Distribution (Private) Limited	530,000	-
<i>Balances as at the year end</i>		
Loan Payable	20,472,445	3,722,445
<u>KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS</u>		
Mohammad Younus Nawab (Chairman)		
<i>Transactions during the year</i>		
Loan obtained during the year	6,000,000	-
Loan repaid during the year	5,300,000	300,000
<i>Balances as at the year end</i>		
Loan payable as of the reporting date	900,000	200,000
Mohammad Irfan Nawab (CEO)		
<i>Transactions during the year</i>		
Loan obtained during the year	32,550,000	14,800,000
Loan repaid during the year	3,075,000	6,000,000
<i>Balances as at the year end</i>		
Loan payable as of the reporting date	41,775,000	12,300,000
Ibrahim Younus (Director)		
<i>Transactions during the year</i>		
Loan obtained during the year	70,200,000	1,000,000
Loan repaid during the year	62,025,000	1,000,000
<i>Balances as at the year end</i>		
Loan payable as of the reporting date	8,375,000	200,000
Ismail Younus (Director)		
<i>Transactions during the year</i>		
Loan obtained during the year	10,200,000	-
Loan repaid during the year	4,925,000	-
<i>Balances as at the year end</i>		
Loan payable as of the reporting date	5,275,000	
Muhammad Faizanullah (Director)		
<i>Transactions during the year</i>		
Loan obtained during the year	47,450,000	8,300,000
Loan repaid during the year	26,375,000	2,400,000
<i>Balances as at the year end</i>		
Loan payable as of the reporting date	27,875,000	6,800,000
Sabiha Younus (Spouse of Chairman / Sponsor)		
<i>Transactions during the year</i>		
Loan obtained during the year	46,400,000	
Loan repaid during the year	26,050,000	
Rent paid during the year	1,034,722	1,410,984
<i>Balances as at the year end</i>		
Loan payable	-	19,000,000
Afshan Irfan (Spouse of CEO / Sponsor)		
<i>Transactions during the year</i>		
Loan obtained during the year	2,300,000	1,000,000
Loan repaid during the year	300,000	1,000,000
Rent paid during the year	1,034,722	1,410,984
<i>Balances as at the year end</i>		
Loan payable as of the reporting date	2,000,000	

45. SEGMENT INFORMATION

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

- (a) Revenue from sale of yarn represents 91% (2024: 99.60%) of the total revenue of the Company.
- (b) 100% (2024:100%) of the gross sales of the Company were made to customers based in Pakistan.
- (c) As at June 30, 2025 and June 30, 2024 all non-current assets of the Company were located in Pakistan.
- (d) Revenue earned from major customers having sales of more than 10% of the total sales amounted to Rs. 1,198.049 million (2024: Rs 2,696.36 million).

46. GENERAL

46.1 Number of employees

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

	2025	2024
	Number	
Total number of employees as at year	241	254
Average number of employees during the year	248	252

46.2 Reclassification of corresponding figures

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

Reclassified from component	Reclassified to component	Note	Rupees
Others (Trade and other payables)	Advance from customers (Trade and other payables)	24	7,625,307

46.3 Date of authorization for issue

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


46.4 Level of rounding

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

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Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED FINANCIAL STATEMENTS
OF
SANA INDUSTRIES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2025**

**Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
KARACHI, LAHORE & ISLAMABAD**

INDEPENDENT AUDITORS' REPORT

To the members of Sana Industries Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of **Sana Industries Limited** and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position as at **June 30, 2025**, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at **June 30, 2025** and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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



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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

Cont'd... P/3

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 1, 2025

UDIN: AR202510210eIvrCx6wn

Sana Industries Limited

Consolidated Statement of Financial Position

As at June 30, 2025

	Note	2025	2024
		Rupees	
ASSETS			
Non- current assets			
Property, plant and equipment	4	1,012,539,824	1,404,310,305
Right-of-use assets	5	2,610,407	42,070,427
Intangibles		-	536,854
Long term deposits and prepayments	6	94,768,521	13,853,051
Long term advance	7	34,353,000	1,300,000
Deferred tax asset - net	8	15,533,855	70,594,685
		<u>1,159,805,607</u>	<u>1,532,665,322</u>
Current assets			
Stock-in-trade	9	218,327,400	278,257,605
Stores and spares		12,490,226	30,656,119
Trade debts	10	630,540,919	675,949,160
Loans and advances	11	53,783,015	44,504,533
Deposits and short term prepayments	12	151,789,198	133,708,266
Short term investments	13	11,666,946	19,835,430
Other receivables	14	465,404,591	37,817,607
Tax refunds due from government		159,332,771	125,874,236
Cash and bank balances	15	21,382,302	36,785,150
		<u>1,724,717,368</u>	<u>1,383,388,106</u>
Total assets		<u>2,884,522,975</u>	<u>2,916,053,428</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	16	<u>199,650,000</u>	<u>199,650,000</u>
<i>Capital reserve:</i>			
Share premium		96,250,000	96,250,000
<i>Revenue reserves</i>			
General reserves		<u>132,500,000</u>	<u>132,500,000</u>
Unappropriated (Loss) / profit		<u>369,926,167</u>	<u>237,727,569</u>
		<u>502,426,167</u>	<u>370,227,569</u>
Equity attributable to the shareholders of Holding Company		<u>798,326,167</u>	<u>666,127,569</u>
Non controlling interest		<u>76,250,702</u>	<u>75,933,332</u>
Total equity		<u>874,576,869</u>	<u>742,060,901</u>
Non-current liabilities			
Lease liability	17	<u>11,000,168</u>	<u>33,591,299</u>
Subordinated loan from directors		10,800,000	20,000,000
Long term financing - secured	18	147,202,521	199,949,399
Deferred liabilities	19	94,116,994	152,779,555
		<u>263,119,683</u>	<u>406,320,253</u>
Current liabilities			
Short term borrowings - secured	20	<u>733,077,974</u>	<u>888,940,711</u>
Trade and other payables	21	711,314,251	567,247,539
Accrued markup	22	22,982,673	43,495,805
Loans from directors and associates - unsecured	23	126,858,577	114,204,960
Unclaimed dividend		2,005,663	2,005,663
Taxation-net		3,186,749	203,273
Current maturity of lease liability	17	19,772,249	36,778,788
Current maturity of deferred government grant	19.1	11,793,957	14,259,585
Current maturity of gas infrastructure development cess		43,523,304	19,783,320
Current maturity of long term financing	24	72,311,026	80,752,630
		<u>1,746,826,423</u>	<u>1,767,672,274</u>
Contingencies and commitments	25		
Total equity and liabilities		<u>2,884,522,975</u>	<u>2,916,053,428</u>

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Sana Industries Limited

Consolidated Statement of Profit or Loss

For the year ended June 30, 2025

	Note	2025	2024
		Rupees	
Revenue - net	26	3,445,163,962	5,564,127,125
Cost of sales and services	27	(3,180,088,137)	(5,117,285,633)
Gross profit		265,075,825	446,841,492
Administrative expenses	28	(154,576,435)	(153,751,045)
Distribution expenses	29	(86,611,959)	(115,244,041)
Other operating expense	30	(3,631,615)	(1,216,850)
Other income	31	369,286,936	9,370,234
		124,466,927	(260,841,702)
Operating profit		389,542,752	185,999,790
Finance costs	32	(203,323,366)	(271,820,593)
Profit/ (loss) before levies and taxation		186,219,386	(85,820,803)
Levies	33	(2,184,683)	(61,589,750)
Profit/ (loss) before taxation		184,034,703	(147,410,553)
Taxation	34	(92,273,723)	68,141,274
Profit / (loss) after taxation		91,760,980	(79,269,279)
Attributable to:			
- Shareholders of the Holding Company		91,443,610	(83,225,988)
- Non-controlling interest		317,370	3,956,709
		91,760,980	(79,269,279)
Earnings / (loss) per share - basic and diluted		4.58	(4.17)

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.

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 Chief Executive Officer


 Director


 Chief Financial Officer

Sana Industries Limited

Consolidated Statement of Comprehensive Income


For the year ended June 30, 2025

	2025	2024
	Rupees	
Profit / (loss) after taxation	91,760,980	(79,269,279)
Other Comprehensive income / (loss)		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial gain on remeasurement of defined benefit obligation	57,401,391	19,805,207
Deferred tax on above	(16,646,403)	(5,743,510)
	40,754,988	14,061,697
Total comprehensive income / (loss) for the year	132,515,968	(65,207,582)
Attributable to:		
- Shareholders of the Holding Company	132,198,598	(69,164,291)
- Non - controlling interest	317,370	3,956,709
	132,515,968	(65,207,582)

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.

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 Chief Executive Officer


 Director


 Chief Financial Officer

Sana Industries Limited

Consolidated Statement of Changes in Equity

For the year ended June 30, 2025

	Issued, subscribed and paid-up capital	Capital reserve	Revenue Reserves		Total reserves	Total equity attributable to the shareholders of Holding	Non - controlling interest
		Share Premium	General reserves	Un-appropriated profit			
Balance as at June 30, 2023	199,650,000	96,250,000	132,500,000	306,891,860	535,641,860	735,291,860	71,976,623
<i>Total comprehensive loss for the year ended June 30, 2024</i>							
- Loss after taxation	-	-	-	(83,225,988)	(83,225,988)	(83,225,988)	3,956,709
- Other comprehensive income	-	-	-	14,061,697	14,061,697	14,061,697	-
	-	-	-	(69,164,291)	(69,164,291)	(69,164,291)	3,956,709
Balance as at June 30, 2024	199,650,000	96,250,000	132,500,000	237,727,569	466,477,569	666,127,569	75,933,332
<i>Total comprehensive income for the year ended June 30, 2025</i>							
- Profit after taxation	-	-	-	91,443,610	91,443,610	91,443,610	317,370
- Other comprehensive income	-	-	-	40,754,988	40,754,988	40,754,988	-
	-	-	-	132,198,598	132,198,598	132,198,598	317,370
Balance as at June 30, 2025	199,650,000	96,250,000	132,500,000	369,926,167	598,676,167	798,326,167	76,250,702

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.




Chief Executive Officer



Director



Chief Financial Officer

Sana Industries Limited

Consolidated Statement of Cash Flows

For the year ended June 30, 2025

	Note	2025	2024
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levies and taxation		186,219,386	(85,820,803)
<i>Adjustments for:</i>			
- Depreciation on operating fixed assets	4.1.1	75,404,996	81,413,625
- Depreciation on right-of-use assets	5	10,045,617	19,028,718
- (Reversal) / charge of provision for staff retirement benefits	19.2.3	22,582,459	23,340,432
- Intangible asset written-off	30	536,854	-
- Long term advances written-off	30	1,000,000	190,600
- Debtors written-off	30	2,094,761	-
- (Reversal) / charge of provision for expected credit losses	31	(1,068,699)	718,815
- (Reversal) / charge of provision of slow moving items	31	(488,904)	498,035
- Gain on sale of operating fixed assets	31	(408,067,432)	(1,709,707)
- Gain on termination of lease liability	31	(7,313,139)	-
- Profit on bank deposits	31	(2,090,329)	(5,095,390)
- Unrealized gain on remeasurement of short term investments	31	(306,516)	(526,748)
- Rental income	31	(29,380,000)	-
- Finance costs	32	203,323,366	271,820,593
		<u>(133,726,966)</u>	<u>389,678,973</u>
Cash generated from operating activities before working capital changes		52,492,420	303,858,170
Effect on cash flow due to working capital changes			
<i>(Increase)/decrease in current assets</i>			
- Stock in trade		59,930,205	55,518,395
- Stores and spares		18,654,797	(12,150,199)
- Trade debts		44,382,179	104,678,504
- Loan and advances		(9,278,482)	(24,242,050)
- Trade deposits and short term prepayments		(18,080,932)	(129,338,676)
- Other receivables		2,613,289	27,478,207
<i>Increase in current liabilities</i>			
- Trade and other payables		109,786,439	74,636,006
		<u>208,007,495</u>	<u>96,580,187</u>
Cash (used in) / generated from operations		260,499,915	400,438,357
- Income tax paid		(86,519,038)	(52,792,914)
- Contribution to staff retirement benefits fund		-	(4,000,000)
- Payment of Workers' Welfare Fund		(3,000,000)	-
- Finance cost paid		(219,729,959)	(279,767,050)
- Long term deposits and prepayments - net		(81,915,470)	(300,000)
Net cash (used in) / generated from operating activities		(130,664,552)	63,578,393
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisition of property, plant and equipment	4	(6,782,704)	(38,626,703)
- Long term advance paid		(33,053,000)	-
- Short term investment in units of mutual funds - net		8,475,000	-
- Profit received		2,090,329	5,095,390
- Proceeds from disposal of operating fixed assets		338,295,621	2,400,000
- Proceeds from rental income		29,380,000	-
Net cash generated from / (used in) investing activities		338,405,246	(31,131,313)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Principal repaid under Diminishing Musharaka facility		(33,483,929)	(36,565,625)
- Repayment of subordinated loan from directors		(9,200,000)	-
- Repayment of loan against Islamic temporary economic refinance		(27,970,570)	(27,970,570)
- Principal repayment under Islamic Auto Finance		-	(1,164,535)
- Repayment of lease liability (principal portion)	17	(9,279,923)	(19,812,173)
- Loan borrowed / (repaid) to directors and associates		12,653,617	53,339,960
- Short term borrowings - net		(155,862,737)	(39,685,566)
Net cash used in financing activities		(223,143,542)	(71,858,509)
Net decrease in cash and cash equivalents		(15,402,848)	(39,411,429)
Cash and cash equivalents at the beginning of the year		36,785,150	76,196,579
Cash and cash equivalents at the end of the year	15	21,382,302	36,785,150

The annexed notes from 1 to 43 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Sana Industries Limited

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

1. STATUS AND NATURE OF BUSINESS

1.1 These financial statements represent the consolidated financial statements of the Group which comprise of M/s. Sana Industries Limited (the Holding Company), M/s. Sana Logistics (Private) Limited and M/s. Sana Distributors (Private) Limited (the Subsidiary Companies). As of June 30, 2025, the Holding Company held 70% (2023: 70%) ordinary shares of Sana Logistics (Private) Limited and 100% (2022: 100%) ordinary shares of Sana Distributors (Private) Limited.

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

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

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

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

Warehouse: The warehouse is located at SF-96, S.I.T.E, Karachi, measuring 11,250 square feet.

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

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

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

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

- Land bearing No. B-186, located at H.I.T.E, situated at Tehsil Hub, District Lasbela, Balochistan, measuring 12,500 square feet.

1.4 The Subsidiary Company, M/s. Sana Distributors (Private) Limited (the Company) is a private limited company incorporated in Pakistan on December 2020 under the Companies Act, 2017. The principal business activity of the Company is the distribution of Confectionary , Allied items and other fast moving consumer goods and to act as general traders.

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

- (a) The Group's retirement benefits liability under the defined benefit plan which is carried at the present value of the defined benefit obligation less the fair value of the plan assets; and
- (b) Investment in units of open-ended mutual funds which are carried at fair value through profit or loss.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

	<i>Note</i>
- Useful lives, residual values and depreciation method of property, plant and equipment	3.2
- Provision for expected credit losses	3.9
- Measurement of defined benefit obligation	3.14
- Current income tax expense, provision for prior year tax and recognition of deferred tax asset	3.15



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

2.5.1 Amendments to existing standards that became effective during the year

The following new or amended standards and interpretations became effective for the financial year and are considered relevant to the Group's financial statements:

- **IAS 1 – Classification of Liabilities as Current or Non-current (Amendments issued January 2020 and October 2022, effective January 1, 2024):**

Under the previous requirements of IAS 1, a liability was classified as current if the Company did not have an unconditional right to defer settlement for at least twelve months after the reporting date. Following the amendments, the requirement for the right to be “unconditional” has been removed. Instead, the amendments specify that the right to defer settlement must be substantive and must exist as of the reporting date. Such a right may depend on the Company's compliance with conditions (covenants) set out in a loan agreement.

In October 2022, the IASB clarified that only covenants that the Company is required to comply with on or before the reporting date affect whether a liability is classified as current or non-current. Covenants that are tested after the reporting date (i.e., future covenants) do not impact classification at that date. However, if non-current liabilities are subject to future covenants, the Company must provide additional disclosures to enable users to understand the risk that such liabilities could become repayable within twelve months after the reporting date.

- **IFRS 16 – Lease Liability in a Sale and Leaseback (Amendments issued September 2022, effective January 1, 2024):**

The amendments affect how a seller-lessee accounts for variable lease payments arising from a sale-and-leaseback transaction. At the time of initial recognition, the seller-lessee is required to include variable lease payments when measuring the lease liability. Subsequently, the seller-lessee applies the general requirements for lease liability accounting in a way that ensures no gain or loss is recognised in relation to the right-of-use asset it retains. These amendments introduce a new accounting model for variable lease payments and may require seller-lessees to reassess and, in some cases, restate previously recognised sale-and-leaseback transactions.

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

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

The following standards and amendments have been issued but are not effective for the financial year beginning July 1, 2024 and have not been early adopted by the Group:

IAS 21 – The Effects of Changes in Foreign Exchange Rates (Amendments: Lack of Exchangeability, effective January 1, 2025):

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates address circumstances where a currency is not exchangeable, often due to government restrictions. In such cases, entities are required to estimate the spot exchange rate that would apply in an orderly transaction at the measurement date. The amendments permit flexibility by allowing the use of observable exchange rates without adjustment or other estimation methods, provided these meet the overall estimation objective. When assessing this, entities should consider factors such as the existence of multiple exchange rates, their intended use, nature, and frequency of updates. The amendments also introduce new disclosure requirements, including details of the non-exchangeability, its financial impact, the spot rate applied, the estimation approach used, and related risks.



Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective January 1, 2026):

Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments – Classification and Measurement provide clarifications and updates in several areas. They refine the requirements around the timing of recognition and derecognition of certain financial assets and liabilities, introducing a new exception for financial liabilities settled via electronic cash transfer systems. The amendments also clarify and expand the guidance on assessing whether a financial asset meets the “solely payments of principal and interest” (SPPI) criterion. In addition, new disclosure requirements are introduced for instruments with contractual terms that can alter cash flows, such as those linked to environmental, social, and governance (ESG) targets. Further updates are also made to the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVOCI).

IFRS 17 – Insurance Contracts (effective January 1, 2026 in Pakistan, as directed by SECP vide SRO 1715(I)/2023):

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

Annual Improvements – Volume Eleven (effective January 1, 2026):

- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- Gain or Loss on Derecognition (Amendments to IFRS 7) - To update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
- Introduction (Amendments to Guidance on implementing IFRS 7) - To clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
- Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
- Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price" in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.



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

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

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

IFRS 18 – Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

Major Impact on Companies' Financial Statements:

IFRS 18 will require the Group to restructure their statement of profit or loss into operating, investing, and financing categories, which may alter familiar subtotals such as operating profit. This standard focuses on disaggregation will expand disclosures, requiring more detailed breakdowns of income, expenses, and significant transactions, rather than broad groupings. Adoption will also demand updates to reporting systems and processes, increasing compliance effort, but ultimately enhancing transparency, comparability, and investor confidence.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 – Subsidiaries without Public Accountability: Disclosures introduces reduced disclosure requirements for eligible subsidiaries that apply IFRS Accounting Standards. It applies to subsidiaries without public accountability whose parent prepares publicly available consolidated IFRS financial statements. Recognition and measurement remain fully aligned with IFRS, while disclosures are significantly simplified. The standard aims to ease the reporting burden without compromising the usefulness of information, and adoption is voluntary.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Basis of consolidation

3.1.1 Business combination

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

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

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

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

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

3.1.2 *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3 *Non-controlling interests - NCI*

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

3.1.4 *Transactions eliminated on consolidation*

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

3.2 **Property, plant and equipment**

Operating assets- owned

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

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

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

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

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



Capital work in progress

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

3.3 Leases

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

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

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

(a) Right-of-use assets

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

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

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

(b) Lease liabilities

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

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

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

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

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

3.4 Stores and spares

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

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

3.5 Stock-in-trade

Basis of valuation

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

Determination of cost

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

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

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

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

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

3.6 Trade debts

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

3.7 Cash and cash equivalents

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

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

3.8 Financial assets

Initial recognition, classification and measurement

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

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

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

- (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- (ii) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Group to at initial recognition.

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

(c) Financial assets at FVTPL

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

Such financial assets are initially measured at fair value.

Subsequent measurement

(a) Financial assets measured at amortized cost

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

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



(b) Financial assets at FVOCI

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

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

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

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

3.9 Impairment

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

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

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

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

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

3.10 De-recognition

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

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

3.11 Financial liabilities

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

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



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

3.12 Offsetting of financial assets and financial liabilities

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

3.13 Government grants

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

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

3.14 Employee benefits

Compensated absences

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

Defined benefit plan- staff gratuity

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

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

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

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

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

3.15 Levies and taxation

Levies

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



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

Current tax

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

Deferred tax

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

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

Judgment and estimates

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

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

Offsetting

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

3.16 Provisions and contingent liabilities

Provisions

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

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

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

Contingent liabilities

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

3.17 Revenue

Revenue from sale of goods

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

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

Revenue from services

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

3.18 Other income

Interest income

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

3.19 Dividend distribution

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

	<i>Note</i>	2025 Rupees	2024
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,011,504,474	1,400,550,281
Capital work in progress	4.2	1,035,350	3,760,024
		<u>1,012,539,824</u>	<u>1,404,310,305</u>

4.1 Operating fixed assets

	SF/96	Building on leasehold land	Electrification - Factory Building	Office Premises SF/96	Plant and machinery	Electrical & Handling equipments	Furniture, fixtures and office equipments	Lab Equipments	Vehicles	Computers & software	Plastic Crates	Total
As at June 30, 2023												
Cost	5,000,000	280,465,099	41,149,827	12,819,637	1,377,873,839	130,824,978	22,321,955	311,295	88,729,145	7,290,935	193,425	1,979,075,629
Accumulated depreciation	-	(74,524,386)	(35,249,127)	(8,015,983)	(326,821,621)	(39,100,161)	(12,586,645)	(311,295)	(32,252,081)	(4,868,058)	(193,425)	(534,012,782)
Net book value	5,000,000	205,940,713	5,900,700	4,803,654	1,051,052,218	91,634,817	9,735,310	-	56,477,064	2,422,877	-	1,445,062,847
Year ended June 30, 2024												
Opening net book value	-	-	-	-	-	-	-	-	-	-	-	-
Additions	5,000,000	205,940,713	5,900,700	4,803,654	1,051,052,218	91,634,817	9,735,310	-	56,477,064	2,422,877	-	1,445,062,847
Disposals	-	-	1,827,645	-	26,115,779	4,930,546	1,897,600	-	2,147,835	671,948	-	37,591,353
Cost	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	(1,656,706)	-	-	(1,656,706)
Net book value	-	-	-	-	-	-	-	-	966,412	-	-	966,412
									(690,294)			(690,294)
Depreciation for the year												
Closing net book value	-	(7,732,607)	(3,019,732)	(25,221)	(45,295,284)	(9,246,648)	(1,652,610)	-	(13,479,055)	(962,398)	-	(81,413,625)
Cost	12,095,494	5,000,000	4,708,613	4,778,363	1,031,872,713	87,318,715	9,980,300	-	44,455,550	2,132,427	-	1,400,550,281
As at June 30, 2025												
Cost	12,095,494	5,000,000	4,708,613	4,778,363	1,403,980,618	135,755,524	24,219,555	311,295	89,220,274	7,962,883	193,425	2,015,010,276
Accumulated depreciation	-	(82,256,933)	(38,268,859)	(8,041,274)	(372,116,905)	(48,436,809)	(14,239,255)	(311,295)	(44,764,724)	(5,830,456)	(193,425)	(614,459,995)
Net book value	12,095,494	5,000,000	4,708,613	4,778,363	1,031,872,713	87,318,715	9,980,300	-	44,455,550	2,132,427	-	1,400,550,281
Year ended June 30, 2025												
Opening net book value	12,095,494	5,000,000	4,708,613	4,778,363	1,031,872,713	87,318,715	9,980,300	-	44,455,550	2,132,427	-	1,400,550,281
Additions	-	-	-	-	4,161,347	1,553,700	1,067,657	-	-	-	-	6,782,704
Cost	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(10,494,152)	10,599,866	-	(103,871,086)	89,577,674	(1,582,673)	-	3,514,282	(520,468)	(173,425)	(13,055,696)
Net book value	-	-	-	-	17,806,784	(11,645,929)	1,404,387	-	4,687,699	523,626	173,425	13,055,696
					(86,064,302)	77,931,745	(178,286)	-	8,201,971	3,158	-	-
Reclassifications												
Cost	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(10,494,152)	10,599,866	-	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-	-	-	-	-
Disposals												
Cost	(6,812,875)	(140,601,867)	(12,727,641)	-	(113,700,963)	(221,791,887)	(4,207,753)	-	(18,588,353)	(2,496,610)	(20,000)	(520,947,949)
Accumulated depreciation	-	50,599,170	11,150,033	-	56,003,376	67,731,005	2,098,385	-	10,940,097	1,982,368	20,000	200,524,434
Net book value	(6,812,875)	(90,002,697)	(1,577,608)	-	(57,697,587)	(154,060,882)	(2,109,368)	-	(7,648,256)	(514,242)	-	(320,423,515)
Depreciation for the year												
Closing net book value	5,282,619	5,000,000	10,771,797	4,753,141	848,272,823	3,625,878	7,128,027	-	33,613,598	733,455	-	1,011,504,474
As at June 30, 2025												
Cost	5,282,619	5,000,000	30,249,831	12,819,637	1,190,578,916	5,095,011	19,496,786	311,295	74,146,203	4,945,805	-	1,487,789,335
Accumulated depreciation	-	(47,540,096)	(19,478,034)	(8,066,496)	(342,306,093)	(1,469,133)	(12,368,759)	(311,295)	(40,532,605)	(4,212,350)	-	(476,284,861)
Net book value	5,282,619	5,000,000	92,323,136	4,753,141	848,272,823	3,625,878	7,128,027	-	33,613,598	733,455	-	1,011,504,474
Annual rate of depreciation												
Residual Value in %			10%	5%	5%	10%	10%	10%	20%	20%	10%	
			0%	35%	20%	0%	0%	0%	30%	0%	0%	



			2025	2024
			Rupees	
4.1.1	Depreciation for the year has been allocated as under :	Note		
	Cost of sales- Manufacturing and service expense	27	54,954,404	57,210,913
	Cost of sales- Fuel and power	27.4	7,058,976	7,053,248
	Administration expenses	28	9,914,872	12,311,042
	Distribution cost	29	3,476,744	4,838,422
			<u>75,404,996</u>	<u>81,413,625</u>

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

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

4.1.3 On January 28, 2025, the Holding Company and M/s. Sana Logistics (Private) Limited entered into an agreement with Ovais Shamim Enterprises (SMC-Private) Limited for the disposal of certain assets comprising Property, Plant and Equipment and capital work-in-progress. The sale price agreed between the parties of all assets by way of agreement is Rs. 731,215,621 and the net book value is Rs. 323,148,189 resulting in a gain from disposal amounting Rs. 408,067,432.

Class	Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale proceeds	Gain / (Loss)	Mode of Disposal	Particulars of buyers	Relationship with purchaser			
Building	Old Premises	21,047,769	12,416,958	8,630,811	22,290,399	13,659,588	Negotiation	Ovais Shamim Enterprises (SMC-Private) Limited	None			
Building	Old Premises	3,682,400	2,117,973	1,564,427	4,040,375	2,475,947						
Building	Old Premises	1,165,699	663,169	502,530	1,296,312	793,782						
Building	Old Premises	4,905,666	2,083,838	2,821,828	4,963,417	2,141,589						
Building	Old Premises	3,354,343	1,591,425	1,762,918	4,554,299	2,791,381						
Building	Old Premises	1,139,189	1,197,437	1,962,032	5,067,250	3,105,218						
Building	Old Premises	22,246,511	7,938,091	14,308,420	36,902,125	22,613,694						
Building	Old Premises	1,085,563	379,631	705,932	1,823,178	1,117,246						
Building	Old Premises	3,312,741	1,104,363	2,208,378	5,202,296	3,004,375						
Building	Old Premises	997,363	313,708	683,655	1,763,644	1,081,989						
Building	New Premises	3,000,000	469,630	2,530,370	5,502,035	3,371,655						
Building	Old Premises	23,990,757	6,628,325	17,362,432	44,749,503	27,417,071						
Building	New Premises	22,046,925	6,095,799	15,951,126	41,191,075	25,211,949						
Building	New Premises	10,934,400	2,947,325	8,007,075	20,436,117	12,799,042						
Building	Old Premises	4,232,461	1,106,208	3,126,253	8,123,684	4,997,430						
Building	Old Premises	1,343,434	319,266	1,024,168	2,394,864	1,390,136						
Building	New Premises	3,120,000	686,325	2,433,675	6,285,340	3,851,665						
Building	New Premises	1,594,061	158,301	1,435,760	4,612,000	3,216,340						
	Sub-total	134,667,855	45,557,232	89,110,623	331,291,911	146,312,077						
Electrical Equipment	Pallets	1,200,000	360,592	839,408	891,437	52,029				Negotiation	Ovais Shamim Enterprises SMC (PVT) Limited	None
Electrical Equipment	Wooden Pallets	3,600,000	1,081,775	2,518,225	2,674,312	156,087						
Electrical Equipment	Refrigerator And Accessories (Frost) (Dm-Bald) S&W-2	4,697,216	1,316,765	3,380,451	3,589,982	209,531						
Electrical Equipment	Air Cooler For Blast Freezer (Dm-Bald)	2,872,309	753,830	2,118,479	2,249,576	131,097						
Electrical Equipment	Air Cooler For Chiller (Dm-Bald)	1,531,291	402,043	1,129,248	1,199,274	70,026						
Electrical Equipment	Blast Freezer 30Deg C (Dm-Bald)	1,235,097	324,147	910,950	967,318	56,458						
Electrical Equipment	Condensing Unit Blast Freezer (Dm-Bald)	1,095,971	297,635	798,336	834,418	50,102						
Electrical Equipment	Cool Chain Machinery And Equipment 1 (Dm-Bald)	2,214,347	581,490	1,632,857	1,734,383	101,224						
Electrical Equipment	Cool Chain Machinery And Equipment 2 (Dm-Bald)	2,185,256	573,350	1,611,906	1,711,581	99,894						
Electrical Equipment	Cool Chain Machinery And Equipment 3 (Dm-Bald)	3,970,960	1,042,241	2,928,719	3,110,250	181,531						
Electrical Equipment	Evaporator / Condensing & Insulation (Dm-Bald)	16,211,974	4,255,048	11,956,926	12,639,012	741,126						
Electrical Equipment	Insulated Support (Dm-Bald)	5,429,679	1,162,639	4,267,040	3,469,541	202,501						
Electrical Equipment	Panels (Dm-Bald)	1,567,930	411,328	1,156,602	1,228,080	71,678						
Electrical Equipment	Panels Chillers & Spare Parts (Dm-Bald)	1,343,667	2,189,927	6,153,740	6,335,168	301,428						
Electrical Equipment	Refrigeration Plant & Piping (Dm-Bald)	8,284,128	2,174,300	6,109,828	6,438,535	328,707						
Electrical Equipment	Generator Parkings 100 Kva	911,000	224,775	686,225	722,697	42,472						
Electrical Equipment	Generator 500 Kva (Dm-Bald S&W-1)	1,802,648	451,190	1,351,458	1,435,186	83,726						
Electrical Equipment	Generator 500 Kva	5,737,800	1,627,986	4,109,814	4,364,634	254,744						
Electrical Equipment	Generator 500 Kva	2,376,494	444,047	1,932,447	2,052,230	119,779						
Electrical Equipment	Evaporator Ammonia Condenser	1,800,000	321,650	1,478,350	1,566,754	91,444						
Electrical Equipment	Ref. Cooling Condensing Unit (SF-Hub)	1,442,000	262,484	1,179,516	1,252,623	73,111						
Electrical Equipment	Panels	2,200,000	347,449	1,852,551	1,967,410	114,859						
Electrical Equipment	Diesel Generator Cummins 200Kva (Overhaul)	1,521,231	184,217	1,337,014	1,415,646	82,625						
Electrical Equipment	Condensing Unit Installation	637,669	31,135	606,534	642,951	37,526						
Electrical Equipment	Fire Alarm System	662,530	31,093	631,437	660,535	29,014						
	Sub-total	81,514,659	20,856,614	61,678,045	65,981,846	3,811,801						
Electrification - building	Electrical Cables	1,332,225	423,931	908,294	861,029	32,745	Negotiation	Ovais Shamim Enterprises SMC (PVT) Limited	None			
Electrification - building	Electrical Cables	1,183,905	646,144	537,761	494,998	52,237						
	Sub-total	2,516,130	1,070,075	1,446,055	1,356,027	84,582						

Handling equipment	2 UNITS DOUBLE DEEP REACH TRUCKS(AZ)	9,787,618	3,262,539	6,525,079	8,636,293	2,131,016			
Handling equipment	Fork Lift Truck	1,000,000	300,000	699,507	742,864	43,357			
Handling equipment	40 FT Reefer Container	800,000	240,200	559,603	591,292	34,687			
Handling equipment	Inverter 11 Kw/15 Hp & Filter Tank With All Accessories	1,400,000	420,600	979,310	1,040,010	68,700			
Handling equipment	Reach Truck Bn-120 (Dm-Bald S&W)-2	3,000,000	1,502,466	3,497,534	3,714,322	216,788			
Handling equipment	Reach Truck Bn-120 (Dm-Bald S&W)-2	597,000	68,630	528,370	561,120	32,750			
Handling equipment	Two Reach Truck Used Year 2003 (Dm-Bald S&W)-2	2,775,000	833,868	1,941,132	2,061,449	120,317			
Handling equipment	Two Reach Truck Used Awd 120000 (Dm-Bald S&W)-2	4,200,000	1,267,071	2,932,929	3,120,031	182,102			
Handling equipment	Wooden Pallets	1,143,209	349,200	793,949	843,129	49,210			
Handling equipment	DM5000 Dock Lever 600 Kg	1,210,500	377,303	832,117	926,173	54,056			
Handling equipment	Wooden Pallets	7,260,000	2,035,187	5,224,813	5,548,664	323,851			
Handling equipment	Used Reach Truck (Linda) (Dm-Bald S&W)-2	1,623,930	455,231	1,168,696	1,241,135	72,439			
Handling equipment	Linda Reach Truck Battery	1,214,450	210,067	995,383	1,037,080	61,697			
Handling equipment	Used Reach Truck (Bj) (Dm-Bald S&W)-2	10,758,537	3,015,927	7,742,610	8,222,521	479,911			
Handling equipment	Selective Picking System 3279 Frotos (Dm-Bald S&W)-2	2,762,897	774,807	1,988,090	2,111,218	123,229			
Handling equipment	Racking (Dm-Bald)	13,348,188	3,583,842	9,764,346	10,454,954	610,208	Negotiation	Oasis Shamim Enterprises (SMC-Private) Limited	None
Handling equipment	Racking System (Dm-Bald)	3,915,673	1,038,229	2,877,444	3,089,277	180,833			
Handling equipment	Selective Picking System (Dm-Bald)	11,451,112	3,005,523	8,445,587	8,969,871	523,444			
Handling equipment	Racking And Accessories 1136 (Gis) (Dm-Bald S&W)-1	6,162,800	1,656,696	4,506,104	4,785,407	279,303			
Handling equipment	Racking And Accessories 1740 (Gis) (Dm-Bald S&W)-1	18,187,620	4,909,163	13,278,457	14,102,498	823,041			
Handling equipment	Selective Picking System 2170 (Frotos) (Dm-Bald S&W)-1	10,332,499	2,787,793	7,544,706	8,012,351	467,643			
Handling equipment	Used Reach Truck (Dm-699700/ Bald)	2,372,778	590,992	1,781,786	1,895,537	110,751			
Handling equipment	5 Deck Lever Capacity 2 Tons	1,250,000	309,178	940,822	999,437	58,315			
Handling equipment	Wooden Pallets 1100	1,812,050	422,500	1,389,470	1,475,594	86,124			
Handling equipment	Traction Battery <48V1700> (Az)	1,126,528	169,998	956,530	1,015,819	59,289			
Handling equipment	Traction Battery <48V1700> (Az)	1,126,528	165,450	961,078	1,018,509	60,811			
Handling equipment	Wooden Pallets	780,000	99,840	680,160	722,318	42,158			
Handling equipment	Wooden Pallets	925,000	111,304	813,696	864,131	50,435			
Handling equipment	Wooden Pallets	915,000	90,948	824,052	875,129	51,077			
Handling equipment	RPC Pallets	1,228,200	38,350	1,189,850	1,242,149	72,499			
	Sub-total	176,598,717	34,817,235	141,781,482	149,995,484	7,662,892			
Land	Land (Cs & Az)	6,812,875	-	6,812,875	214,000,000	207,187,125	Negotiation	Oasis Shamim Enterprises (SMC-Private) Limited	None
	Sub-total	6,812,875	-	6,812,875	214,000,000	207,187,125			
Plant and machinery	EVAPORATOR UNIT AGR0065 20210 HHD129(INDOESIA)	830,000	283,333	546,667	751,734	185,007			
Plant and machinery	COMPLETE SET OF REFRIGERATION UNIT 2 SET B=020,021,0116 DEC-15	975,000	347,719	627,281	832,183	204,833			
Plant and machinery	RACKING (CS - HUB)	985,250	440,078	545,172	723,219	178,047			
Plant and machinery	STERILIZATION EQUIPMENT (FS)	1,109,893	408,333	691,560	824,328	282,988			
Plant and machinery	2 CHILLER UNITS 10 HP (CS - HUB)	1,140,000	524,400	615,600	816,648	201,018			
Plant and machinery	RACKING MACHINE (FS)	1,188,217	522,815	665,402	882,714	217,312			
Plant and machinery	RACKING (CS - HUB)	1,214,740	664,058	550,682	730,329	179,817			
Plant and machinery	REFRIGERATION PLANT (CS - HUB)	1,312,000	758,600	553,400	751,260	181,990			
Plant and machinery	REFRIGERATION PLANT	1,432,500	822,910	609,590	828,577	203,983			
Plant and machinery	HAMMER MILL/ROLL PRESS CONVEYOR (FS)	1,490,324	481,871	1,008,453	1,337,302	329,349			
Plant and machinery	COMPLET EXTENSION UNIT INCLUDING WITH ACCESSORIES B=915 25-4-15	1,500,000	595,000	905,000	1,200,563	295,563			
Plant and machinery	1 SGL. CONDENSER (AZ)	1,740,933	1,224,457	516,476	685,153	168,675			
Plant and machinery	2 SETS CONDENSING UNIT (AZ)	1,763,349	728,867	1,034,482	1,372,384	337,862			
Plant and machinery	1PS.COOL CHAIN MACHINRY&EQUIPAMT COMPRESS B=201 11-1-15AED51840	1,813,331	719,284	1,094,047	1,451,345	357,302			
Plant and machinery	RACKING BEAM / COLUMNS (AZ)	1,836,000	811,960	1,024,040	1,335,827	333,287			
Plant and machinery	WOODEN PALLETS (AZ)	2,352,720	768,713	1,584,007	2,111,939	519,992			
Plant and machinery	WOODEN PALLETS (AZ)	2,614,658	891,699	1,722,959	2,277,698	568,779			
Plant and machinery	COOL CHAIN MACHINRY (A,Z) D.M	2,621,832	900,025	1,721,807	2,281,399	562,192			
Plant and machinery	COOL CHAIN MACHINRY RACKS (AZ)	2,674,167	2,008,561	665,606	1,042,175	216,589			
Plant and machinery	1LOT OF INSULATED SUPPORTS INSULATION 5126233@126233 25V215 22-6-15 CNTW	1,994,878	1,518,054	476,824	3,285,727	808,903			
Plant and machinery	REFRIGERATION PLANT	4,513,262	2,933,997	1,579,265	1,908,908	489,643			
Plant and machinery	TRE TO FIX ASSETS	5,820,433	1,723,683	4,096,750	4,373,434	1,676,682			
Plant and machinery	DIESEL GENERATOR SET OF 12KVA PRD BE (A,Z)	5,323,100	1,827,390	3,495,710	4,637,093	1,141,391			
Plant and machinery	REFRIGERATION PLANT	5,821,417	3,725,787	2,095,630	2,780,145	681,435			
Plant and machinery	COOL CHAIN MACHINRY,EQPM& 1LOT OF INTERLOCK RACKING SYS FOR 2772PM	9,747,097	3,249,032	6,498,065	8,620,258	2,127,193			
Plant and machinery	REFRIGERATION PLANT	16,194,305	33,567,862	12,626,443	16,750,096	4,123,653			
	Sub-total	111,374,898	67,625,759	43,749,139	64,695,458	15,927,167			
Vehicles	Corolla GM BNG-422	1,864,000	1,304,000	560,000	593,861	34,661	Negotiation	Oasis Shamim Enterprises (SMC-Private) Limited	None
Vehicles	XIA Storage	4,237,000	3,135,900	1,101,100	1,509,181	88,084			
	Sub-total	6,101,000	4,439,900	1,661,100	2,103,045	122,745			

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		2025	2024
	Note	Rupees	
4.2 Capital work in progress			
Opening balance		3,760,024	2,724,674
Additions during the year		-	1,035,350
Disposal during the year	4.1.3	<u>(2,724,674)</u>	-
		<u>1,035,350</u>	<u>3,760,024</u>
		<u>1,035,350</u>	<u>3,760,024</u>

5. RIGHT-OF-USE ASSETS

	Survey No.53 and 55, Kemari Town, Karachi	33-D-2, Block-6, Shahra-e-Faisal, Karachi	Total
	Rupees		
As at June 30, 2023			
Cost	72,780,930	50,330,945	123,111,875
Accumulated depreciation	<u>(43,735,912)</u>	<u>(18,276,818)</u>	<u>(62,012,730)</u>
	<u>29,045,018</u>	<u>32,054,127</u>	<u>61,099,145</u>
<i>Movement during the year ended June 30, 2024</i>			
Opening net book value	29,045,018	32,054,127	61,099,145
Depreciation for the year	<u>(12,737,350)</u>	<u>(6,291,368)</u>	<u>(19,028,718)</u>
Closing net book value	<u>16,307,668</u>	<u>25,762,759</u>	<u>42,070,427</u>
As at June 30, 2024			
Cost	72,780,930	50,330,945	123,111,875
Accumulated depreciation	<u>(56,473,262)</u>	<u>(24,568,186)</u>	<u>(81,041,448)</u>
	<u>16,307,668</u>	<u>25,762,759</u>	<u>42,070,427</u>
<i>Movement during the year ended June 30, 2025</i>			
Opening net book value	16,307,668	25,762,759	42,070,427
Disposals			
- Cost	<u>(72,780,930)</u>	-	<u>(72,780,930)</u>
- Accumulated depreciation	<u>62,477,689</u>	-	<u>62,477,689</u>
	<u>(10,303,241)</u>	-	<u>(10,303,241)</u>
Effect of modification (Refer note 17)	-	<u>(19,111,162)</u>	<u>(19,111,162)</u>
Depreciation for the year	<u>(6,004,427)</u>	<u>(4,041,190)</u>	<u>(10,045,617)</u>
Closing net book value	<u>-</u>	<u>2,610,407</u>	<u>2,610,407</u>
As at June 30, 2025			
Cost	-	50,330,945	50,330,945
Accumulated depreciation	-	<u>(47,720,538)</u>	<u>(47,720,538)</u>
	-	<u>2,610,407</u>	<u>2,610,407</u>
Depreciation rate (per annum)	<u>33.33%</u>	<u>12.50%</u>	

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

Particulars	33-D-2, Block-6, Shahra-e-Faisal, Karachi
Lessor name	Mrs. Sabiha Younus and Mrs. Afshan Irfan
Lease agreement date	1-Jul-24
Lease commencement date	1-Jul-24
Initial contracted term of the lease	11 Months
Availability of extension option	Yes
Assessed lease term	3 years

		2025	2024
		Rupees	
5.2	Depreciation for the year has been allocated as under :		
	Manufacturing and service expense	6,004,427	12,737,350
	Administration expenses	4,041,190	6,291,368
		<u>10,045,617</u>	<u>19,028,718</u>

6. LONG TERM DEPOSITS AND PREPAYMENTS

Long term security deposits with:

- Utility companies	6.1	94,616,021	13,700,551
- Central Depository Company (CDC)		12,500	12,500
- Other		100,000	100,000
		<u>94,728,521</u>	<u>13,813,051</u>
Long term prepayments		40,000	40,000
		<u>94,768,521</u>	<u>13,853,051</u>

6.1 This includes a security deposit of Rs. 81.06 million (2024: nil) paid to Sui Southern Gas Company (SSGC) as per SSGC's calculation mechanism based on estimated gas usage.

		2025	2024
		Rupees	
7.	LONG TERM ADVANCE		
	Advance to supplier	1,853,000	1,300,000
	Advance against purchase of solar panels	32,500,000	-
		<u>34,353,000</u>	<u>1,300,000</u>

7.1 This represents advance paid to M/s. Diwan International against the purchase of solar panels.

8. DEFERRED TAXATION- net

	2025			
	Balance at beginning of the year (Restated)	Recognized in profit or loss	Recognized in other comprehensive income	Balance at end of the year
	(Rupees)			
Deferred tax liability arising from:		=		
- Accelerated depreciation allowance	194,901,475	(53,698,807)	-	141,202,668
- Islamic Temporary Economic Refinance Facility	16,141,657	(5,208,464)	-	10,933,193
	<u>211,043,132</u>	<u>(58,907,271)</u>	-	<u>152,135,861</u>
Deferred tax assets arising from:				
- Unused tax losses	(117,304,000)	3,073,143	-	(114,230,857)
- Minimum tax	(89,279,036)	89,279,036	-	-
- Provision for staff retirement benefits	(21,638,532)	(6,548,913)	16,646,403	(11,541,042)
- Provision for slow moving items	(190,775)	141,782	-	(48,993)
- Gas infrastructure cess liability	(19,715,474)	(3,396,400)	-	(23,111,874)
- Allowance for expected credit losses	(2,102,051)	309,923	-	(1,792,128)
- Lease liability - net	(18,488,621)	10,321,638	-	(8,166,983)
- Deferred government grant	(12,824,508)	4,141,489	-	(8,683,019)
- Re-financing Scheme for salaries and wages	(94,820)	-	-	(94,820)
	<u>(281,637,817)</u>	<u>97,321,698</u>	<u>16,646,403</u>	<u>(167,669,716)</u>
	<u>(70,594,685)</u>	<u>38,414,427</u>	<u>16,646,403</u>	<u>(15,533,855)</u>

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

		2025	2024
		----- Rupees -----	
9.	STOCK-IN-TRADE	<i>Note</i>	
	Raw material		
	- In hand	74,623,320	66,763,052
	- In transit	37,950,497	60,151,481
		<u>112,573,817</u>	<u>126,914,533</u>
	Work in process	21,695,435	27,929,539
	Finished goods	73,523,376	108,592,869
	Waste materials	3,628,172	4,433,200
	Packing materials	6,906,600	10,387,464
		<u>218,327,400</u>	<u>278,257,605</u>
10.	TRADE DEBTS		
	Receivables against sale of goods	531,274,664	475,688,381
	Receivables against rendering of cold storage services	68,656,055	118,232,312
	Receivables against distribution of products	36,789,952	89,276,918
		<u>636,720,671</u>	<u>683,197,611</u>
	Less: provision for expected credit losses	10.1 (6,179,752)	(7,248,451)
		<u>630,540,919</u>	<u>675,949,160</u>
10.1	Movement in provision for expected credit losses		
	Balance at the beginning of the year	7,248,451	6,529,636
	Further charge recognized during the year	-	718,815
	Reversal of charge during the year	31 (1,068,699)	-
	Balance at the end of the year	<u>6,179,752</u>	<u>7,248,451</u>

11.	LOANS AND ADVANCES	Note	2025	2024
			Rupees	
	Loans to employees	11.1	4,772,371	4,363,675
	Advances			
	- to contractors		520,000	600,000
	- to suppliers	11.2	48,469,003	39,454,397
	- to staff		21,641	86,461
			49,010,644	40,140,858
			<u>53,783,015</u>	<u>44,504,533</u>

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

11.2 This includes Rs. 22.3m paid in advance against contractual labour services to be obtained in the future and Rs. 15m pertains to advance paid against purchase of raw material and stock-in-trade.

12.	DEPOSITS AND SHORT TERM PREPAYMENTS	Note	2025	2024
			Rupees	
	Deposits			
	Sui Southern Gas Company Limited against gas tariff	25.1.2	130,413,213	130,413,213
	Cash margin against bank guarantee	12.1	10,000,000	-
	Other deposits		5,509,087	572,132
			145,922,300	130,985,345
	Prepayments		5,866,898	2,722,921
			<u>151,789,198</u>	<u>133,708,266</u>

12.1 This represents cash margin deposited with M/s. Habib Metro Bank Limited amounting Rs. 10 million (2024: Nil) against issuance of Letter of Guarantee to Sui Southern Gas Company Limited and other beneficiaries on behalf of the Holding Company. (Refer note 25.2.1)

13.	SHORT TERM INVESTMENT	Note	2025	2024
			Rupees	
	Investment in Habib Islamic Investment Certificate	13.1	1,705,555	16,630,555
	Investment in units of mutual funds	13.2	3,511,391	3,204,875
	Investment in Term Deposit Receipts (TDRs)	13.3	6,450,000	-
			<u>11,666,946</u>	<u>19,835,430</u>

13.1 Investment in Habib Islamic Investment Certificate - At amortized cost

This represents an investment made by the Company in Habib Metro Islamic Investment Certificate which carries profit ranging from 15.5% to 17.5% p.a. (2024: 17% to 18% p.a.).

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

2025	2024	Fund name	2025		2024	
			Cost	Fair value	Cost	Fair value
-- (Number of units) --			Rupees			
4,556	4,122	Faysal Islamic Cash Fund	346,487	456,664	302,766	412,177
30,427	27,526	Al Habib Islamic Saving Funds	3,042,684	3,054,727	2,063,203	2,792,698
<u>34,983</u>	<u>31,648</u>		<u>3,389,171</u>	<u>3,511,391</u>	<u>2,365,969</u>	<u>3,204,875</u>

13.3 These carry profit at the rates ranging between 10% to 19.5% per annum.

14. OTHER RECEIVABLES	Note	2025	2024
		Rupees	
<i>Receivable from:</i>			
Lasbela Industrial Estate Development Authority	14.1	33,196,021	33,196,021
Lasbela Chamber of Commerce		1,000,000	1,000,000
Ovais Shamim Enterprises (Private) Limited		430,200,273	-
Other parties		1,008,297	3,621,586
		<u>465,404,591</u>	<u>37,817,607</u>

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

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

15. CASH AND BANK BALANCES	Note	2025	2024
		Rupees	
Cash in hand		3,741,970	6,763,774
<i>Cash at bank - Islamic bank</i>			
- Balance held in current accounts		6,158,896	18,170,521
- Balance held in savings accounts	15.1	11,481,436	10,350,855
- Term Deposit Receipt (TDR)		-	1,500,000
		<u>17,640,332</u>	<u>30,021,376</u>
		<u>21,382,302</u>	<u>36,785,150</u>

15.1 These carry profit at the average rate ranging between 6% to 10% (2024: 4% to 14%) per annum.

16. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2025	2024	2025	2024
No. of shares		Rupees	
Ordinary shares of Rs. 10/- each issued:			
6,406,250	6,406,250	64,062,500	64,062,500
<u>13,558,750</u>	<u>13,558,750</u>	<u>135,587,500</u>	<u>135,587,500</u>
<u>19,965,000</u>	<u>19,965,000</u>	<u>199,650,000</u>	<u>199,650,000</u>

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

17. LEASE LIABILITY	Note	2025	2024
		Rupees	
Opening balance		70,370,087	81,168,778
Effect of modification	5	(19,111,162)	-
Terminated during the year		(16,163,576)	-
Payments made during the year		(9,279,923)	(19,812,173)
Finance charges	32	4,956,991	9,013,482
		<u>30,772,417</u>	<u>70,370,087</u>
Less: Current portion shown under current liabilities	17.1	(19,772,249)	(36,778,788)
		<u>11,000,168</u>	<u>33,591,299</u>

17.1 This includes an amount of Rs. 15.5 million (2024: Rs. 8.3 million) which has become due.

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		2025	2024
		Rupees	
18. LONG TERM FINANCING - Secured	<i>Note</i>		
Diminishing musharaka Islamic Temporary Economic Refinance Facility (ITERF)	18.1	59,431,322	86,391,202
	18.2	87,771,199	113,558,197
		<u>147,202,521</u>	<u>199,949,399</u>
18.1 Long term Musharaka under shariah arrangement			
- Habib Metropolitan Bank Limited		-	-
- Bank Al-Habib Limited	17.1.1	52,154,290	70,597,192
- First Habib modaraba		138,122	1,594,249
- Dubai islami Bank	17.1.2	33,962,275	47,547,175
		<u>86,254,687</u>	<u>119,738,616</u>
Less: Current maturity shown under current liabilities	24	<u>(26,823,365)</u>	<u>(33,347,414)</u>
		<u>59,431,322</u>	<u>86,391,202</u>
18.2 Financing under Islamic Temporary Economic Refinance Facility (ITERF)			
Opening balance		160,963,413	184,528,021
Payments made during the year		(51,502,074)	(40,766,055)
Interest accrued during the year	32	23,797,521	17,201,447
		<u>133,258,860</u>	<u>160,963,413</u>
Current portion shown under current liabilities	24	<u>(45,487,661)</u>	<u>(47,405,216)</u>
		<u>87,771,199</u>	<u>113,558,197</u>

18.2.1 The Group has obtained a long-term financing facility from M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Group under the Scheme amounted to Rs. 100 million (2024: 100 million) and the drawn down amount is Rs. 64.893 million (2024: Rs. 81.559 million).

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

- (a) The applicable markup rate is 5% per annum (2024: 5%);
- (b) The tenor of the each tranche of the facility is 7 years (including 1-year moratorium period, commencing from the date of disbursement of the funds);
- (c) Each tranche of the loan is to be repaid in 24 equal quarterly installments.; and
- (d) The arrangement is secured against the following:
 - Registered exclusive hypothecation charge over specific plant and machinery amounting to Rs 187.50 million;
 - Pari Passu charge over stock and receivables for Rs. 167 million with 25% margin
 - Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab;

18.2.2 The Group has obtained a long-term financing facility from M/s. Dubai Islamic Bank Limited (DIBL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Group under the Scheme amounted to Rs. Rs. 116.259 million (2024: Rs. 150 million) and the drawn down amount is Rs. 105.740 million (2024: Rs. 134.738 million).

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

- (a) The applicable markup rate is 5% per annum (2024: 5%);
- (b) The tenor of the each tranche of the facility is 7 years (including 1-year moratorium period, commencing from the date of disbursement of the funds); and
- (c) Each tranche of the loan is to be repaid in 24 equal quarterly instalments.
- (d) The arrangement is secured against the first pari passu charge over machinery.

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

19. DEFERRED LIABILITIES	Note	2025	2024
		Rupees	
Deferred government grant	19.1	18,147,487	29,962,855
Staff retirement benefits - defined benefit plan (gratuity)	19.2	39,796,695	74,615,627
Provision for Gas infrastructure Development Cess	19.3	36,172,812	48,201,073
		<u>94,116,994</u>	<u>152,779,555</u>
19.1 Deferred government grant			
Opening balance		44,222,440	61,237,553
Less: Amortization of government grant during the year		<u>(14,280,996)</u>	<u>(17,015,113)</u>
		29,941,444	44,222,440
Current maturity shown under current liabilities		<u>(11,793,957)</u>	<u>(14,259,585)</u>
		<u>18,147,487</u>	<u>29,962,855</u>
19.2 Staff retirement benefits			

The Holding Company operates an approved funded gratuity plan for its permanent employees ('the plan'). Actuarial valuation of the plan is carried out every year. Plan assets held in trust are governed by local regulations which mainly include Sindh Trust Act, 2020, the Companies Act, 2017, Income Tax Rules, 2002, and the Trust Deed. Responsibility for governance of the plan, including investment decisions and contribution schedules, lies with the Board of Trustees of the plan.

The latest actuarial valuation of the plan as at June 30, 2025 was carried out by M/s. SIR Consultants using the Projected Unit Credit Method. Details of the plan as per the actuarial valuation are as follows:

19.2.1 Movement in defined benefit obligation	Note	2025	2024
		Rupees	
Present value of the defined benefit obligation	19.2.1	136,937,572	132,200,694
Fair value of the plan assets	19.2.2	<u>(97,140,877)</u>	<u>(57,585,067)</u>
		<u>39,796,695</u>	<u>74,615,627</u>
Opening defined benefit obligation		132,200,694	125,805,728
Current service cost	19.2.3	11,576,654	11,464,867
Interest cost		18,903,353	19,661,034
Benefits paid by the fund		(8,084,736)	(9,629,493)
Remeasurement gain on obligation		<u>(17,658,393)</u>	<u>(15,101,442)</u>
Closing defined benefit obligation		<u>136,937,572</u>	<u>132,200,694</u>

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		2025	2024
	<i>Note</i>	Rupees	
19.2.2 Movement in the fair value of plan assets			
Balance at beginning of the year		57,585,067	50,725,326
Expected return on plan assets		7,897,548	7,785,469
Contribution		-	4,000,000
Benefits paid by the fund		(8,084,736)	(9,629,493)
Remeasurement gain on plan assets		39,742,998	4,703,765
Balance at end of the year		<u>97,140,877</u>	<u>57,585,067</u>
19.2.3 Expense recognized in the statement of profit or loss			
Current service cost		11,576,654	11,464,868
Net interest expense		11,005,805	11,875,565
		<u>22,582,459</u>	<u>23,340,433</u>
Allocation of expense			
- Cost of sales	27.3	9,600,000	9,336,173
- Administrative expenses	28.1 & 28.2	11,062,459	12,137,025
- Distribution cost	29.1	1,920,000	1,867,235
		<u>22,582,459</u>	<u>23,340,433</u>
19.2.4 Remeasurement gain recognised in other comprehensive income			
<i>Remeasurement of the present value of defined benefit obligation</i>			
- Financial assumptions		8,121,035	6,923,299
- Demographic assumptions		(6,725)	(900,488)
- Experience adjustments		9,544,083	9,078,631
		<u>17,658,393</u>	<u>15,101,442</u>
Remeasurement of the fair value of plan assets		39,742,998	4,703,765
		<u>57,401,391</u>	<u>19,805,207</u>
19.2.5 Sensitivity analysis			

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
June 30, 2025		Rupees	
Discount rate	1%	132,566,285	141,797,455
Expected rate of salary increase	1%	142,441,969	131,880,335
Mortality age	1 year	136,936,976	136,938,171
Withdrawal rates	10%	136,927,948	136,947,958
		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
June 30, 2024		Rupees	
Discount rate	1%	127,825,456	137,069,998
Expected rate of salary increase	1%	137,675,519	127,179,975
Mortality age	1 year	125,805,727	125,805,727
Withdrawal rates	10%	132,200,694	132,200,694

		2025	2024
19.2.6	Principal assumptions used		
	Withdrawal Rates	High	High
	Mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Expected rate of increase in future salary (per annum)	6.75%	14.75%
	Discount rate - per annum	11.75%	14.75%
	Expected rate of return on plan assets	11.75%	14.75%
	Normal retirement age	60 years	60 years
		2025	2024
19.2.7	Composition of plan assets	Rupees	
	Equity securities and units of mutual funds	94,270,664	55,532,583
	Bank balances	1,674,833	857,104
	Investment Certificate	1,195,380	1,195,380
		<u>97,140,877</u>	<u>57,585,067</u>
19.3	Provision for Gas Infrastructure Development Cess		
	Opening balance	67,984,393	57,993,763
	Interest on unwinding of the provision	11,711,723	9,990,630
		<u>79,696,116</u>	<u>67,984,393</u>
	Less: Current maturity shown under current liabilities	(43,523,304)	(19,783,320)
		<u>36,172,812</u>	<u>48,201,073</u>

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

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

During the year ended June 30, 2021, the Supreme Court (SC) passed two judgements; one dated August 13, 2020, thereby upholding the levy of GIDC imposed vide GIDC Act, 2015, and stopping further levy with effect from August 13, 2020. The other judgement dated November 2, 2020 directed payment of amount levied till that date in 48 instalments instead of 24 instalments allowed in order dated August 13, 2020. In July 2020, Sui Southern Gas Company vide its gas bill charged an amount of Rs. 156.5 million against GIDC. The Company has recognized a provision based on the units consumed at applicable rates amounting to Rs. 95 million (2024: Rs. 95 million) and remaining amount of Rs. 61.5 million (2024: Rs. 61.5 million) has not been acknowledged as debt. (refer note 25.1.1).

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20.	SHORT TERM BORROWINGS - Secured	Note	2025	2024
			Rupees	
	<i>Istisna financing</i>			
	- Habib Metropolitan Bank Limited	20.1	227,511,686	299,760,773
	- Habib Bank Limited	20.2	181,173,741	199,889,169
	- Bank Al Habib Limited	20.3	20,505,304	42,252,687
			<u>429,190,731</u>	<u>541,902,629</u>
	<i>Murabaha financing</i>			
	Bank Al Habib Limited	20.4 & 20.5	114,134,339	157,078,026
	<i>Wakala financing</i>			
	Dubai Islamic Bank	20.6	189,752,904	189,960,056
			<u>733,077,974</u>	<u>888,940,711</u>

20.1 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 248 million (2024: Rs. 300 million) as a sub-limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2024: 6 months KIBOR + 3%). The maximum tenor of the Istisna Financing is 120 days (2024: 150 days).

The arrangement is secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to Rs. 550 million with 40% margin (2024: Rs. 550 million with the 30% margin);
- 1st charge registered over stocks / receivables amounting to Rs. 400 million (2024: Rs. 400 million) with a 25% margin; and
- Equitable mortgage over industrial property having market value of Rs. 1,615.142 million.
- Cash margin of Rs. 10 million.
- Personal guarantees of the directors and corporate guarantee of Sana Logistics (Private) Limited and Sana Distributors (Private) Limited.

20.2 Short term Istisna Financing was obtained by the Holding Company under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 200 million (2024: Rs. 200 million) . The mark-up rate on the financing is 6 months KIBOR + 1.5% per annum (2024 : 6 months KIBOR + 1.5% per annum) . The maximum tenor of the Istisna Financing is 180 days (2024: 180 days).

The arrangement is secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to Rs. 267 million with the 40% margin (2024 : Rs. 267 million with the 40% margin);
- 1st charge registered over stocks / receivables amounting to Rs. 267 million with a 25% margin (2024: Rs. 267 million with a 25% margin; and
- Personal guarantees of directors namely : Mr. Muhammad Yunus Nawab, Mr. Muhammad Irfan Nawab, Mr. Muhammad Ibrahim Yunus , Mr. Muhammad Ismail Yunus and Mr. Faizanullah.

20.3 Short term Istisna Financing was obtained by the Holding Company under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 50 million (2024 : Rs. 50 million). The mark-up rate on the financing is 6 months KIBOR + 1.75% per annum (2024: 6 months KIBOR + 1.75% per annum). The maximum tenor of the Istisna Financing is 120 days (2024: 120 days).

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The arrangement is secured against the following:

- Equitable mortgage charge registered over land, building and plant and machinery amounting to Rs. 551.328 million (2024: Rs. 551 million);
- pari passu charge registered over stocks / receivables amounting to Rs. 167 million with a 25% margin (2024:Rs. 167 million with a 25% margin) ; and
- Personal guarantees of directors namely :Mr. Muhammad Irfan Nawab, Mr. Muhammad Yunus Nawab and Mr. Muhammad Ibrahim Yunus, covering aggregate exposure.

20.4 Short term murabaha has been obtained by the Holding Company, under shariah arrangement, to facilitate the import of raw material and other related items. The bank has approved a facility of Rs. 125 million (2024: 125 million). The markup rate on murabaha facility is average KIBOR + 1.75% (2024: average KIBOR + 1.75%) . The maximum tenor of the murabaha is 120 days.

The arrangement is secured against the following:

- Pari-Passu charge over stocks and receivables amounting to Rs. 167 million with a 25% margin (2024: Rs. 167 million with a 25% margin);
- Personal guarantees of directors namely :Mr. Muhammad irfan nawab, Mr. Muhammad yunus nawab and Mr. Muhammad ibrahim yunus, covering aggregate exposure

20.5 The Subsidiary Company, M/s. Sana Distributors (Private) Limited has obtained Short term Murabaha Financing under shariah arrangement from M/s. Bank Al Habib Limited to finance inventory. The bank has approved a facility of Rs. 25 million (2024: Rs. 75 million). The mark-up rate on the financing is average KIBOR + 1.75% (2024: average KIBOR + 1.75%) per annum. The maximum tenor of the Murabaha Financing is 90 days.

The arrangement is secured against the following:

- First charge over all current assets (present & future) for Rs. 100 million (2024: 232.67 million) with 25% Margin;
- Director loan of Rs.10.8 Million subordinated with BAML
- Equitable mortgage charge of Rs. of Rs.551 Million (2024: 551 million) over Survey No.54 Located at Deh Gondpass, situated at Tapo Gabopat, Kemari Town, Karachi
- Personal guarantee of directors i.e. Mr. Irfan Nawab, Mr. Muhammad Faizanullah, Mr. Ibrahim Younus, Mr. Muhammad Younus Nawab and Mr. Ismail Younus covering aggregate exposure.
- Corporate guarantee of M/s Sana Industries Limited covering aggregate exposure;

20.6 Short term wakala financing has been obtained by the Holding Company under shariah arrangement for the purchase of raw material. The bank has approved the facility of Rs. 190 million (2024: Rs. 190 million). The markup rate on the facility is matching KIBOR + 1.75% per annum (2024: matching KIBOR + 1.75% per annum). The maximum tenor is 180 days (2024: 180 days).

The arrangement is secured against the following:

- First pari passu charge over current assets of the Company with 25% margin amounting to Rs. 307 million.
- First pari passu charge over Land and Building of the Company with 25% margin amounting to Rs. 307 million.
- Corporate guarantee of M/s Sana Logistics (Private) Limited and M/s Sana Distributors (Private) Limited
- Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab; along with personnel net worth statements.

20.7 As at June 30, 2025, the Group had unavailed short term financing facilities amounting to Rs. 40.122 million (2024: Rs. 604,000).

		2025	2024
	Note	Rupees	
21. TRADE AND OTHER PAYABLES			
Creditors		141,047,127	218,059,916
Advance from customer		200,192,582	88,984,643
Accrued expenses		164,947,873	132,719,655
Provision for gas tariff difference	21.1	51,505,591	51,505,591
Workers' Profits Participation Fund	21.2	12,355,992	12,355,992
Workers' Welfare Fund	21.3	596,811	3,596,811
Security deposit payable		750,000	-
Sales tax payable		93,481,039	28,113,470
Income tax payable		32,807,629	12,929,136
Provident Fund payable		12,974,895	11,192,329
Others		654,712	7,789,996
		<u>711,314,251</u>	<u>567,247,539</u>
21.1 Provision for gas tariff difference			
Provision under Suit 129 of 2017	21.1.1	51,505,591	51,505,591
Provision under Suit 1790 of 2020 & 1798 of 2020		-	-
		<u>51,505,591</u>	<u>51,505,591</u>
21.1.1	<p>On December 30, 2016, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. (1)/2016 whereby, with effect from December 15, 2016, the sale price of natural gas for gas consumers falling under the category 'Industrial' was increased to Rs. 600 per MMBTU (as against the previously applicable tariff of Rs. 488.23 per MMBTU notified vide S.R.O. 01(I)/2013 dated January 01, 2013). The said notification was widely challenged by companies operating in the textile industry (including the Holding Company vide Suit No. 129 of 2017) before the Honourable High Court of Sindh ('the Court'). In its interim order dated January 18, 2017, the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 488.23 per MMBTU and the differential amount of Rs. 111.77 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, until September 2018, the Holding Company continued to pay its monthly gas bills at the rate of Rs. 488.23 per MMBTU and recognized a provision for the differential liability which, as at June 30, 2024, amounted to Rs. 51.506 million (2024: Rs. 51.505 million).</p> <p>On September 06, 2024, the Sindh High Court declared the impugned notification void ab initio, a decision favorable to the Company. The Federation and Sui Southern Gas Company (SSGC) subsequently filed an appeal (H.C.A No. 336 of 2024), which the Court dismissed on February 03, 2025, directing the Nazir to release the post-dated cheques. The Federation and other parties have now challenged this decision before the Honourable Supreme Court of Pakistan through C.P.L.A No. 1017 of 2025, which remains pending as of the reporting date. However the provision is not reversed in these financial statements as a matter of prudence.</p>		
21.2 Workers' Profit Participation Fund payable		2025	2024
		Rupees	
Opening balance		12,355,992	19,997,203
Add: interest accrued		-	1,807,400
Less: payments during the year		-	(9,448,611)
		<u>12,355,992</u>	<u>12,355,992</u>
21.3 Workers' Welfare Fund payable			
Opening balance		3,596,811	3,596,811
Less: payments during the year		(3,000,000)	-
		<u>596,811</u>	<u>3,596,811</u>
22. ACCRUED MARKUP			
Short term borrowings		22,684,092	41,792,404
Long term financing - Diminishing Musharaka		298,581	1,703,401
		<u>22,982,673</u>	<u>43,495,805</u>

		2025	2024
		Rupees	
23.	LOANS FROM DIRECTORS AND ASSOCIATES - Unsecured		
	<i>From directors of holding company and sponsors :</i>		
	<i>Unsecured</i>		
	Loan from directors'	17	106,550,000
	<i>From directors of subsidiary Companies and their spouses :</i>		
	<i>Unsecured</i>		
	Loan from directors'	17	17,308,577
	Loan from spouses of directors	17	3,000,000
		<u>20,308,577</u>	<u>94,704,960</u>
		<u>126,858,577</u>	<u>114,204,960</u>

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

		2025	2024
		Rupees	
24.	CURRENT MATURITY OF LONG TERM FINANCING		
	Current maturity of diminishing musharaka	18.1	26,823,365
	Current maturity of ITERF	18.2	45,487,661
		<u>72,311,026</u>	<u>80,752,630</u>

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 As explained in note 19.3, Group has not recognized the additional amount of cess in respect of GIDC amounting to Rs. 61.5 million (being the difference of Rs. 95 million recognized in books and Rs. 156.5 million as notified to the Group through monthly gas bills upto July 2020).

25.1.2 The sale price of natural gas for 'export oriented power' was increased by OGRA from Rs. 1,100 per MMBTU to Rs. 2,400 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated November 08, 2023. The said notification was challenged by several petitioners in the Sindh High Court (SHC) on constitutional and factual grounds. Through an interim order dated December 18, 2023, the SHC suspended the notification subject to the condition that the petitioners (gas consumers) deposit the differential amount of Rs. 1,300 per MMBTU in cash with the Nazir of the Court within seven days. The order further provided that failure to make payment for two consecutive months would result in recall of the interim relief in respect of the defaulting party. The Holding Company joined these proceedings on February 13, 2024 to avail the benefit of this injunction.

Subsequently, OGRA further increased the sale price of natural gas from Rs. 2,400 per MMBTU to Rs. 2,750 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated February 15, 2024. The Holding Company also challenged this notification before the SHC on constitutional and factual grounds. Through its interim order dated May 6, 2024, the SHC suspended the said notification subject to the condition that the Holding Company deposit the differential amount of Rs. 1,650 per MMBTU in cash with the Nazir of the Court within seven days, with similar recall provisions in the event of two consecutive defaults.

In compliance with these interim orders, the Holding Company has paid its gas bills at the revised notified rates under protest and deposited the differential amounts with the Nazir of the Court. Based on the suspension of these notifications, no provision has been recognized in respect of gas costs amounting to Rs. 130.4 million. As of the reporting date, the Company had paid an excess of Rs. 96.1 million to SSGC against bills for the period November 2023 to June 2024.

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During the year ended 30 June 2025, the matter earlier disclosed as Suit No. 731 of 2023 before the Sindh High Court was transferred to the Court of the II Senior Civil Judge, Karachi East, and renumbered as Suit No. 6416 of 2025. The case remains pending adjudication.

25.1.3 During the year, the Off the Grid (Captive Power Plants) Levy Ordinance, 2025 was promulgated by the President on January 31, 2025 and, within 120 days, was approved by Parliament on May 31, 2025. Under this Act, every captive power plant is required to pay to the Federal Government a levy on the consumption of natural gas or RLNG at the rate prescribed under Section 4 of the Act, as notified by the Federal Government from time to time.

On March 07, 2025, the Federal Government, through a notification, set the levy at Rs. 791 per MMBTU. The Ministry of Energy subsequently directed SSGC to recover this levy at the notified rate retrospectively for the month of February 2025, and SSGC issued the corresponding bill on May 02, 2025.

The Company, along with other affected parties, filed a constitutional petition (C.P. No. 1802 of 2025) before the Honourable Sindh High Court, Karachi, on May 6, 2025, challenging the retrospective application of the notification. Through its interim order of the same date, the Court directed that, until further orders, the plaintiffs (gas consumers) shall deposit the amount demanded for February 2025 with the Nazir of the Court in the form of a pay order or bank guarantee. In compliance, the Company furnished a bank guarantee amounting to Rs. 9,857,627, equivalent to Rs. 791 per MMBTU (refer note 28.2), on May 07, 2025. Accordingly, no provision has been recognized in respect of this amount, pending the final outcome of the matter.

Subsequently, the bill for the month of March 2025 was also issued by SSGC, charging a levy of Rs. 7,741,664. For the months of April, May, and June 2025, no notification of rates has been issued by the Ministry of Energy; therefore, due to uncertainty regarding the applicable amount, no provision has been recognized for these periods.

Consequently, the Company, along with other affected parties, challenged the levy before the Honourable High Court of Baluchistan at Quetta on the grounds that, besides being unconstitutional, the impugned levy is arbitrary and unjust as it penalizes captive power plants located in regions where reliable grid electricity is not available. The Company is situated in the LEIDA industrial zone, Baluchistan, where there exists a chronic shortfall in the supply of grid electricity. The Company's reliance on captive power plants is therefore not a matter of choice but of necessity, arising from the lack of adequate and reliable supply from the National Grid.

On July 23, 2025, the Honourable High Court of Baluchistan, Khuzdar Bench at Quetta, granted an interim stay to the Company, subject to the submission of post-dated cheques equivalent to the levy amount determined in accordance with the Off the Grid (Captive Power Plants) Levy Act, 2025.

		2025	2024
	<i>Note</i>	Rupees	
25.2	Commitments		
	In respect of:		
	- Irrevocable letters of credit issued for purchase of raw material and plant & equipment.	-	58,240,067
	- Custom duties, sales tax and income taxes on stock in transit.	3,500,000	17,968,030
	- Revolving letter of guarantee issued by commercial banks in favour of Sui Southern Gas Company Limited	64,497,000	33,420,771
	- Off the Grid (Captive Power Plants) Levy	9,857,630	-

25.2.1 This includes Letter of Guarantee issued on behalf of the Company by commercial banks in favour of Sui Southern Gas Company Limited (SSGC) against the security deposit demanded by the SSGC. (Refer note 12.1)

25.2.2 This represents Bank Guarantee against off the grid levy in favour of Sui Southern Gas Company Limited. (Refer note 25.1.3)

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26. REVENUE - NET

	Year ended June 30, 2025			Total
	Textile	Cold Storage and Related Services	Distribution of Products	
	Rupees			
Sales during the year:				
- Sale of goods	2,843,506,136	-	1,062,180,800	3,905,686,936
- Services rendered	-	185,293,626	-	185,293,626
- Wastage sales	10,187,139	-	-	10,187,139
	<u>2,853,693,275</u>	<u>185,293,626</u>	<u>1,062,180,800</u>	<u>4,101,167,701</u>
- Commission and discounts	(1,632,273)	-	(40,397,180)	(42,029,453)
- Sales tax	(436,767,524)	(30,296,196)	(147,910,566)	(613,974,286)
	<u>(437,399,797)</u>	<u>(30,296,196)</u>	<u>(188,307,746)</u>	<u>(656,003,739)</u>
Revenue - net	<u>2,416,293,478</u>	<u>154,997,430</u>	<u>873,873,054</u>	<u>3,445,163,962</u>

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

27. COST OF SALES AND SERVICES

	Note	2025	2024
		Rupees	
Raw and packing materials consumed	27.1	1,622,827,648	2,328,009,874
Cost of finished goods sold	27.2	814,267,776	1,325,953,127
Manufacturing and services expenses			
Stores and spares consumed		58,242,727	79,225,925
Salaries, wages and benefits	27.3	257,738,355	479,899,210
Packing and forwarding		817,305	4,968,315
Fuel and power	27.4	288,503,463	644,457,611
Services procured		640,000	10,977,063
Repairs and maintenance		11,013,857	42,592,259
Vehicle repairs and maintenance		6,961,352	8,532,160
Insurance		6,495,031	6,710,976
Rent, rates and taxes		4,390,000	4,192,450
Depreciation on operating fixed assets	4.1.1	54,954,404	57,210,913
Depreciation on right-of-use assets	5.2	6,004,427	12,737,350
Security		287,412	10,756,394
Loading and unloading expenses		4,758,767	6,492,757
Entertainment expenses		1,892,078	1,777,370
Printing and stationary expense		258,901	1,819,424
Transportation and conveyance		2,228,625	14,559,858
Uniform expense		92,800	758,970
Communication expense		1,681,363	1,349,777
Miscellaneous expense		-	-
Water expenses		9,424,408	9,642,393
Other manufacturing overheads		4,545,996	4,315,792
		<u>720,931,271</u>	<u>1,402,976,967</u>
Work-in-process - opening stock		27,929,539	35,348,344
Work-in-process - closing stock	9	(21,695,435)	(27,929,539)
		<u>6,234,104</u>	<u>7,418,805</u>
Cost of goods manufactured		<u>3,164,260,799</u>	<u>5,064,358,773</u>
Finished goods - opening stock		87,065,991	143,434,226
Waste material- opening stock		4,433,200	991,825
Finished goods - closing stock	9	(72,043,681)	(87,065,991)
Waste material- closing stock	9	(3,628,172)	(4,433,200)
		<u>15,827,338</u>	<u>52,926,860</u>
		<u>3,180,088,137</u>	<u>5,117,285,633</u>

		2025	2024
		Rupees	
27.1	Raw and packing materials consumed		
	Opening stock	77,150,516	79,770,761
	Add: Purchases during the period	<u>1,627,207,052</u>	<u>2,325,389,629</u>
		1,704,357,568	2,405,160,390
	Less : Closing stock	<u>(81,529,920)</u>	<u>(77,150,516)</u>
		<u><u>1,622,827,648</u></u>	<u><u>2,328,009,874</u></u>
27.2	Cost of finished goods sold		
	Opening stock	21,526,878	43,419,496
	Goods purchased during the year	<u>794,220,593</u>	<u>1,304,060,509</u>
	Goods available for sale	815,747,471	1,347,480,005
	Closing stock	<u>(1,479,695)</u>	<u>(21,526,878)</u>
	Cost of finished goods sold	<u><u>814,267,776</u></u>	<u><u>1,325,953,127</u></u>
27.3	This includes an amount of Rs. 9.6 million (2024: Rs. 9.336 million) in respect of staff retirement benefits.		
		2025	2024
27.4	Fuel and power	Rupees	
	<i>Generation cost</i>		
	Gas expenses	192,901,866	387,843,036
	Electricity	66,850,140	209,571,967
	Generator operation and maintenance	16,921,391	36,862,036
	Repairs and maintenance	4,170,376	2,279,820
	Depreciation on operating fixed assets	7,058,976	7,053,248
	Insurance	397,334	564,090
	Electricity duty	203,380	283,414
		<u>288,503,463</u>	<u>644,457,611</u>
28.	ADMINISTRATIVE EXPENSES		
	Salaries, wages and other benefits	33,297,797	30,921,484
	Directors' remuneration	62,974,459	64,367,000
	Meeting fee	260,000	260,000
	Printing and stationery	1,191,969	1,156,680
	Legal and professional charges	1,379,120	4,872,392
	Fees and subscription	3,157,834	3,910,747
	Communication	446,097	609,758
	Travelling and conveyance	214,450	324,602
	Repairs and maintenance	7,526,323	6,965,686
	Fuel expenses	2,331,184	3,280,096
	Rent, rates and taxes	3,684,499	2,580,000
	Entertainment expense	116,494	465,839
	Depreciation on operating fixed assets	9,914,872	12,311,042
	Depreciation on right-of-use assets	4,041,190	6,291,368
	Amortization	-	190,600
	Security expenses	388,376	344,753
	Water, electricity and gas	3,467,678	5,104,914
	Insurance	2,042,130	2,036,300
	Auditors' remuneration	2,696,650	2,451,500
	Entertainment expenses	1,932,187	-
	IT related service	600,000	-
	Miscellaneous	12,913,126	5,306,284
		<u>154,576,435</u>	<u>153,751,045</u>
28.1	This includes an amount of Rs. 9.84 million (2024: Rs. 9.261 million) in respect of staff retirement benefits.		
28.2	This includes an amount of Rs. 1.22 million (2024: Rs. 2.876 million) in respect of staff retirement benefits.		

		2025	2024
		Rupees	
28.3	Auditors' remuneration		
	Audit fee (Including consolidation)	2,200,110	2,000,100
	Half yearly review fee	319,440	290,400
	Statutory certifications	84,700	77,000
	Out of Pocket Expenses	92,400	84,000
		<u>2,696,650</u>	<u>2,451,500</u>
29.	DISTRIBUTION EXPENSES		
	Salaries, wages and benefits	45,252,262	57,300,654
	Packing and forwarding expenses	24,822,349	32,070,343
	Fuel expense	2,277,828	12,000
	Depreciation on property, plant and equipment	3,476,744	4,838,422
	Security expense	393,467	397,056
	repairs and maintenance	529,938	2,821,240
	insurance expense	251,990	1,172,835
	rents, rates and taxes	4,374,774	4,215,696
	Communication	923,312	1,134,655
	Marketing & advertisement	108,852	287,836
	Transportation expense	1,454,327	9,057,523
	Sales promotion expenses	815,028	555,980
	Utilities	1,332,561	504,201
	Entertainment	306,523	383,858
	Advertisement	8,684	-
	Miscellaneous expense	283,320	491,742
		<u>86,611,959</u>	<u>115,244,041</u>
29.1	This includes an amount of Rs. 1.92 million (2024: Rs. 1.867 million) in respect of staff retirement benefits.		
30.	OTHER OPERATING EXPENSES		
	Increase in provision for expected credit losses	-	718,815
	Debtors written-off	2,094,761	-
	Intangible written-off	536,854	-
	Advance against intangible written-off	1,000,000	-
	Provision against slow moving items	-	498,035
		<u>3,631,615</u>	<u>1,216,850</u>
31.	OTHER INCOME		
	Return on deposits - Islamic bank	1,177,669	1,961,896
	Profit on Habib Islamic Investment Certificate	-	301,783
	Profit on PLS account	809,409	667,389
	Profit on term deposit	103,251	2,164,322
	Gain on sale of operating fixed assets	324,769,813	1,709,707
	Reversal of provision for slow moving store items	488,904	-
	Insurance claim received	3,675,835	-
	Gain on termination of lease liability	7,313,139	-
	Unrealized gain on short-term investments	306,516	526,748
	Income relating to receivable from LIEDA	-	-
	Reversal of provision for expected credit losses	1,068,699	-
	Rental income	29,380,000	-
	Gain on remeasurement of lease liability	-	-
	Others	193,701	2,038,389
		<u>369,286,936</u>	<u>9,370,234</u>

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		2025	2024
	Note	Rupees	
31.1	Gain on sale of investment property		
	Total gain on disposal	408,067,432	-
	Less : Disposal costs incurred	(83,297,619)	-
		<u>324,769,813</u>	<u>-</u>
32.	FINANCE COSTS		
	Markup and interest charges on:		
	- Long term finances	18,228,602	33,378,845
	- Short term borrowings	156,965,836	216,727,029
	- Markup on lease liability	4,956,991	9,013,482
	- Financing under ITERF facility	23,797,521	17,201,447
	Amortization of deferred government grant	(14,280,996)	(17,015,113)
	Bank charges	1,130,508	736,202
	Documentation charges	-	80,911
	Unwinding of GIDC liability	11,711,723	9,990,630
	Guarantee commission	712,946	1,307,492
	Local letter of credit charges	-	37,852
	Other Charges	100,235	361,816
		<u>203,323,366</u>	<u>271,820,593</u>
33.	LEVIES		
	Minimum tax under normal tax regime	<u>2,184,683</u>	<u>61,589,750</u>
34.	TAXATION		
	Current		
	- for the year	52,902,269	5,112,084
	- for prior year	957,027	1,190,133
		53,859,296	6,302,217
	Deferred	38,414,427	(74,443,491)
		<u>92,273,723</u>	<u>(68,141,274)</u>
34.1	The income tax assessments of the Group have been finalized up to, and including, the tax year 2024. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Group for the purpose of re-assessment.		
35.	EARNING / (LOSS) PER SHARE	2025	2024
		Rupees	
35.1	Basic earning / (loss) per share		
	Profit / (loss) attributable to shareholders of the Holding Company	<u>91,443,610</u>	<u>(83,225,988)</u>
	Weighted average number of ordinary shares outstanding during the year	<u>19,965,000</u>	<u>19,965,000</u>
	Earnings / (loss) per share - basic	<u>4.58</u>	<u>(4.17)</u>
35.2	Diluted earning/ (loss) per share		
	There is no dilutive effect on the basic earning/ (loss) per share of the Group, since there were no potential shares in issue as at June 30, 2025 and June 30, 2024.		

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36. **REMUNERATION OF THE CHIEF EXECUTIVE,
DIRECTORS AND EXECUTIVE**

	Chief Executive		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rupees							
Basic Salary	23,179,320	23,179,320	18,194,520	18,194,520	18,206,580	16,640,790	59,580,420	58,014,630
House rent	8,994,960	8,994,960	7,060,560	7,060,560	7,065,240	6,457,620	23,120,760	22,513,140
Retirement benefits	1,656,279	1,644,743	1,136,630	970,257	2,059,474	5,072,482	4,852,383	7,687,482
Utilities	1,539,662	2,421,720	1,212,529	1,900,920	1,902,180	1,738,590	4,654,371	6,061,230
Bonus	-	-	-	-	-	674,175	-	674,175
Conveyance	-	-	-	-	-	107,196	-	107,196
	<u>35,370,221</u>	<u>36,240,743</u>	<u>27,604,239</u>	<u>28,126,257</u>	<u>29,233,474</u>	<u>30,690,853</u>	<u>92,207,934</u>	<u>95,057,853</u>
Number of persons	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>6</u>	<u>6</u>	<u>11</u>	<u>11</u>

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

37. **CAPACITY AND PRODUCTION**

2025 2024
Number

37.1 **Textile Segment**

Number of spindles installed	<u>39,588</u>	<u>39,588</u>
Number of spindles operated	<u>39,588</u>	<u>39,588</u>
Installed capacity in Kgs. after conversion into 30 single count	<u>8,476,187</u>	<u>8,476,187</u>
Actual production of yarn in Kgs. after conversion into 30 single count	<u>4,726,276</u>	<u>7,182,054</u>
Number of shifts worked per day	<u>3</u>	<u>3</u>

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

37.2 **Cold Storage Segment**

Installed Capacity- Pallets	<u>1,500</u>	<u>22,000</u>
Capacity Utilized- Pallets	<u>1,500</u>	<u>16,000</u>

38. **FINANCIAL INSTRUMENTS**

38.1 **Financial risk analysis**

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

- Credit risk
- Liquidity risk
- Market risk



38.1.1 Credit risk

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

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

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

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

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

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

	Note	2025	2024
		Rupees	
Long-term deposits		94,728,521	13,853,051
Trade debts	(a)	630,540,919	675,949,160
Deposits		145,922,300	572,132
Loans to employees		4,772,371	4,363,675
Short term investment		11,666,946	19,835,430
Other receivables		465,404,591	37,817,607
Bank balances	(b)	17,640,332	30,021,376
		<u>1,370,675,980</u>	<u>782,412,431</u>

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

Loan to executive and employees are secured against gratuity fund balance of these executives and employees.

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

	2025		2024	
	Gross	Life time expected credit losses	Gross	Life time expected credit losses
	Rupees			
Not past due	573,735,133	-	447,315,731	-
Past due 1 day - 30 days	12,178,460	-	43,412,794	-
Past due 31 days - 120 days	25,340,687	2,270,601	86,580,430	1,481,539
Above 120 days	25,466,391	3,909,151	105,888,656	5,766,912
	<u>636,720,671</u>	<u>6,179,752</u>	<u>683,197,611</u>	<u>7,248,451</u>

The bank balances along with credit ratings are tabulated below:

Bank	Rating agency	Short- term Rating	2025	2024
			Rupees	
Habib Metropolitan Bank Limited	PACRA	A-1+	9,776,942	16,793,192
Meezan Bank Limited	JCR-VIS	A-1+	3,277,984	2,419,920
Bank Al-Habib Limited	PACRA	A-1+	2,285,334	7,103,767
Bank Alfalah Limited	PACRA	A-1+	640,958	555,676
United Bank Limited	JCR-VIS	A-1+	34,334	176,831
National Bank of Pakistan	JCR-VIS	A-1+	42,255	489,708
Habib Bank Limited	JCR-VIS	A-1+	356,892	1,321,357
Faysal Bank Limited	JCR-VIS	A-1+	4,829	220,663
Dubai Islamic Bank Limited	JCR-VIS	A-1+	942,374	500,124
Al-Baraka Bank Limited	JCR-VIS	A-1	202,722	200,000
J.S Bank Limited	PACRA	A-1+	75,708	240,138
			17,640,332	30,021,376

38.1.2 Liquidity risk

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

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

	June 30, 2025					
	Carrying amount	Contractual cashflows	Less than six months	Six to twelve months	One to Five years	More than Five years
	Rupees					
Lease liability	30,772,417	33,631,163	17,466,773	6,642,900	9,521,490	-
Long term financing including accrued markup	219,812,128	191,859,240	12,559,018	36,859,728	141,229,247	1,211,247
Short term borrowings including accrued markup	755,762,066	783,126,741	559,563,146	223,563,595	-	-
Trade and other payables	#VALUE!	#VALUE!	#VALUE!	-	-	-
Loans from directors and associates	126,858,577	111,950,000	111,950,000	-	-	-
Unclaimed dividend	2,005,663	2,005,663	2,005,663	-	-	-
	#VALUE!	#VALUE!	#VALUE!	267,066,223	150,750,737	1,211,247

	June 30, 2024					
	Carrying amount	Contractual cashflows	Less than six months	Six to twelve months	One to Five years	More than Five years
	Rupees					
Lease liability	70,370,087	128,401,271	61,604,897	33,458,131	33,338,243	-
Long term financing including accrued markup	282,405,430	420,455,979	29,109,111	148,564,541	230,857,959	11,924,368
Short term borrowings including accrued markup	930,733,115	1,489,470,170	696,586,278	792,883,892	-	-
Trade and other payables	421,267,487	634,734,478	634,734,478	-	-	-
Loans from directors and associates	114,204,960	114,204,960	114,204,960	-	-	-
Unclaimed dividend	2,005,663	2,005,663	2,005,663	-	-	-
	1,820,986,742	2,789,272,521	1,538,245,387	974,906,564	264,196,202	11,924,368

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38.1.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of foreign currency risk, interest rate risk and other price risk.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates and arises mainly where receivables and payables exist due to transactions entered into foreign currencies. Currently, the Group is not exposed to currency risk.

ii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates.

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

	2025	2024	2025	2024
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - pls account	6%-10%	10%-20%	<u>11,481,436</u>	<u>10,350,855</u>
Term deposit receipt	10%-19.5%	12%-20%	<u>6,450,000</u>	<u>1,500,000</u>
Short term investment	15.5%-17.5%	17%-18%	<u>1,705,555</u>	<u>16,630,555</u>
Financial liabilities				
Short term borrowings	8.4%-20.89%	18.1%-22.3%	<u>733,077,974</u>	<u>888,940,711</u>

Sensitivity Analysis

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

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

	1% increase	1% (decrease)
As at June 30, 2025		
Cash flow sensitivity-Variable rate financial instrument	<u>(7,134,410)</u>	<u>7,134,410</u>
As at June 30, 2024		
Cash flow sensitivity-Variable rate financial liabilities	<u>(8,604,593)</u>	<u>8,604,593</u>

ii) Other price risk

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

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38.2	Financial instruments by categories	2025	2024
		Rupees	
	Financial assets		
	<i>At amortized cost</i>		
	Long-term deposits	94,728,521	13,853,051
	Trade debts	630,540,919	675,949,160
	Loan to employees	145,922,300	572,132
	Short term trade deposits	4,772,371	4,363,675
	Short term investment	11,666,946	19,835,430
	Other receivables	465,404,591	37,817,607
	Cash and bank balances	21,382,302	36,785,150
		<u>1,374,417,950</u>	<u>789,176,205</u>
	Financial liabilities		
	<i>At amortized cost</i>		
	Lease liability	30,772,417	70,370,087
	Long term financing including mark-up	219,812,128	282,405,430
	Short term borrowings	755,762,066	930,733,115
	Trade and other payables	371,880,198	421,267,487
	Loans from directors and associates	126,858,577	114,204,960
	Unclaimed dividend	2,005,663	2,005,663
		<u>1,507,091,049</u>	<u>1,820,986,742</u>

39. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Level 2 : Valuation techniques based on observable inputs.

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

Fair values of financial assets that are traded in active markets are based on quoted market prices.

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

June 30, 2025	Level 1	Level 2	Level 3	Total
Rupees				
<i>Financial assets measured at fair value</i>				
Short term investment in units of mutual funds	3,511,391	-	-	3,511,391
	<u>3,511,391</u>			<u>3,511,391</u>
June 30, 2024	Level 1	Level 2	Level 3	Total
Rupees				
<i>Financial assets measured at fair value</i>				
Short term investment in units of mutual funds	3,204,875	-	-	3,204,875
	<u>3,204,875</u>			<u>3,204,875</u>

40. CAPITAL MANAGEMENT

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

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

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

	2025	2024
	————— Rupees —————	
Borrowings:		
Long term financing	219,513,547	280,702,029
Subordinated loan from directors	10,800,000	20,000,000
Loans from directors and associates	126,858,577	114,204,960
	<u>357,172,124</u>	<u>414,906,989</u>
Shareholders' equity:		
- Issued, subscribed and paid up capital	199,650,000	199,650,000
- Share premium	96,250,000	96,250,000
- General reserves	132,500,000	132,500,000
- Unappropriated profit	369,926,167	237,727,569
	<u>798,326,167</u>	<u>666,127,569</u>
Total capital managed by the Group	<u><u>1,155,498,291</u></u>	<u><u>1,081,034,558</u></u>

41. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel of the Group and directors and their close family members and major shareholders of the Group. Remuneration and benefits to executives of the Group are in accordance with the terms of the employment. Remuneration of the Chief Executive, Directors and executives is disclosed in note 36 to these consolidated financial statements. Transactions with related parties during the year, other than those disclosed elsewhere in these consolidated financial statements, are as follows:

KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS

Names of related party, relationship with related party	Note	2025	2024
		————— Rupees —————	
Mohammad Younus Nawab (Chairman)			
<i>Transactions during the year</i>			
Loan obtained during the year		12,000,000	8,200,000
Loan repaid during the year		23,300,000	1,000,000
<i>Balances as at the year end</i>			
Loan payable as of the reporting date	23	900,000	12,200,000
Mohammad Irfan Nawab (CEO)			
<i>Transactions during the year</i>			
Loan obtained during the year		32,550,000	16,500,000
Loan repaid during the year		15,240,000	6,000,000
<i>Balances as at the year end</i>			
Loan payable as of the reporting date	23	42,275,000	24,956,000
Loan Payable - Subordinated		-	-
Ibrahim Younus (Director)			
<i>Transactions during the year</i>			
Loan obtained during the year		107,350,000	38,767,460
Loan repaid during the year		113,292,460	32,800,000
<i>Balances as at the year end</i>			
Loan payable as of the reporting date	23	23,975,000	10,117,460

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Ismail Younus (Director)*Transactions during the year*

Loan obtained during the year		34,228,577	48,122,500
Loan repaid during the year		37,667,500	37,600,000

Balances as at the year end

Loan payable as of the reporting date	23	11,683,577	10,522,500
Loan Payable - Subordinated	23	5,400,000	10,000,000

Muhammad Faizanullah (Director)*Transactions during the year*

Loan obtained during the year		47,450,000	10,000,000
Loan repaid during the year		31,375,000	2,400,000

Balances as at the year end

Loan payable as of the reporting date	23	28,075,000	12,000,000
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Sabiha Younus (Spouse of Chairman / Sponsor)*Transactions during the year*

Loan obtained during the year		106,100,000	40,700,000
Loan repaid during the year		125,150,000	28,950,000
Rent paid during the year		-	2,655,984

Balances as at the year end

Loan payable as of the reporting date	23	21,350,000	4,000,000
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Afshan Irfan (Spouse of CEO / Sponsor)*Transactions during the year*

Loan obtained during the year		2,300,000	1,000,000
Loan repaid during the year		2,300,000	1,000,000
Rent paid during the year		-	2,655,984

Balances as at the year end

Rent payable as of the reporting date			
Loan payable as of the reporting date	23	4,000,000	4,000,000

42. OPERATING SEGMENT

Management has determined the operating segments based on the information that is presented to the chief operation decision-maker of the Group for allocation of resources and assessment of performance. Based on internal management reporting structure, the Group is organised into the following two operating segments:

- Textile - manufacturing and sale of man-made blended yarn
- Cold storage - providing services in respect of cold storage through "compartmentalized cold store project.
- Distribution - providing distribution in respect of confectionary and other fast moving consumer goods.

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing performance.



Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Description	June 30 2025			Total
	Textile	Cold Storage	Distribution	
	Rupees			
Revenue - net	2,416,293,478	154,997,430	873,873,054	3,445,163,962
Cost of sales and services	(2,219,562,797)	(146,257,559)	(814,267,776)	(3,180,088,132)
Gross Profit	196,730,681	8,739,871	59,605,278	265,075,830
Administrative expenses	(100,584,536)	(34,451,775)	(15,024,469)	(150,060,780)
Distribution expenses	(37,843,643)	-	(50,305,170)	(88,148,813)
Other operating expenses	-	-	-	-
Operating profit / (loss)	58,302,502	(25,711,904)	(5,724,361)	26,866,237
Other income	330,767,805	28,741,557	9,777,574	369,286,936
Finance costs	(192,976,846)	(739,222)	(9,607,298)	(203,323,366)
	137,790,959	28,002,335	170,276	165,963,570
Profit / (loss) before taxation and levies	196,093,461	2,290,431	(5,554,085)	192,829,807
Levies	-	-	(2,184,683)	(2,184,683)
Profit / (loss) before taxation	196,093,461	2,290,431	(7,738,768)	190,645,124
Taxation	(89,323,878)	(3,095,583)	145,738	(92,273,723)
Profit / (loss) after taxation	106,769,583	(805,152)	(7,593,030)	98,371,401
OTHER INFORMATION				
Segment assets	2,517,020,330	275,835,749	91,666,896	2,884,522,975
Total assets				<u>2,884,522,975</u>
Segment liabilities	1,698,451,642	155,747,232	155,747,232	2,009,946,106
Total liabilities				<u>2,009,946,106</u>
Capital expenditure	4,223,847	2,283,157	275,700	6,782,704
Total capital expenditure				<u>6,782,704</u>
Depreciation	61,386,758	10,076,765	3,941,473	<u>75,404,996</u>

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Description	June 30 2024			
	Textile	Cold Storage	Distribution	Total
	Rupees			
Revenue - net	3,804,189,397	338,697,232	1,421,240,496	5,564,127,125
Cost of sales and services	(3,514,958,140)	(276,374,366)	(1,325,953,127)	(5,117,285,633)
Gross Profit	289,231,257	62,322,866	95,287,369	446,841,492
Administrative expenses	(108,896,532)	(34,735,922)	(10,118,591)	(153,751,045)
Distribution expenses	(44,152,120)	-	(71,091,921)	(115,244,041)
Other operating expenses	(1,216,850)	-	-	(1,216,850)
Operating profit	134,965,755	27,586,944	14,076,857	176,629,556
Other income	3,161,563	509,104	5,699,567	9,370,234
Finance costs	(249,986,488)	(2,803,384)	(19,030,721)	(271,820,593)
	(246,824,925)	(2,294,280)	(13,331,154)	(262,450,359)
Loss before taxation and levies	(111,859,170)	25,292,664	745,703	(85,820,803)
Levies	(47,780,303)	(10,256,346)	(3,553,101)	(61,589,750)
Loss before taxation	(159,639,473)	15,036,318	(2,807,398)	(147,410,553)
Taxation	69,318,100	(1,847,288)	670,462	68,141,274
(Loss) / profit after taxation	(90,321,373)	13,189,030	(2,136,936)	(79,269,279)
OTHER INFORMATION				
Segment assets	2,341,908,799	380,561,044	193,583,585	2,916,053,428
Total assets				<u>2,916,053,428</u>
Segment liabilities	1,650,614,347	261,689,090	261,689,090	2,173,992,527
Total liabilities				<u>2,173,992,527</u>
Capital expenditure	27,900,068	7,515,879	3,210,756	38,626,703
Total capital expenditure				<u>38,626,703</u>
Depreciation	65,455,702	10,741,176	5,216,744	<u>81,413,622</u>

43. GENERAL

43.1 Corresponding figures

Figures have been reclassified and rearranged, where necessary, for the purpose of better presentation.

43.2 Date of authorisation for issue

These consolidated financial statements were approved by the Board of Directors of the Holding Company in their meeting held on 30th September 2025.

43.3 Level of rounding

Figures have been rounded off to the nearest rupee.


Chief Executive Officer


Director


Chief Financial Officer

SANA INDUSTRIES LIMITED**as at June 30, 2025****Pattern of Shareholdings**

# Of Shareholders	Shareholdings' Slab			Total Shares Held
211	1	to	100	4,896
138	101	to	500	46,448
42	501	to	1000	34,605
113	1001	to	5000	307,417
34	5001	to	10000	247,857
15	10001	to	15000	192,787
14	15001	to	20000	248,531
7	20001	to	25000	161,859
8	25001	to	30000	231,819
2	30001	to	35000	68,348
2	35001	to	40000	72,120
2	40001	to	45000	89,433
3	45001	to	50000	145,375
2	65001	to	70000	136,526
1	70001	to	75000	70,189
3	100001	to	105000	307,880
1	110001	to	115000	112,794
1	145001	to	150000	149,500
1	160001	to	165000	160,948
1	170001	to	175000	171,757
1	185001	to	190000	187,763
1	190001	to	195000	194,496
1	245001	to	250000	250,000
1	280001	to	285000	280,861
1	285001	to	290000	288,802
1	345001	to	350000	349,455
1	390001	to	395000	393,845
1	400001	to	405000	403,065
1	440001	to	445000	444,572
1	495001	to	500000	498,946
2	540001	to	545000	1,081,692
1	550001	to	555000	553,466
1	665001	to	670000	667,724
1	880001	to	885000	881,461
1	920001	to	925000	921,308
1	4665001	to	4670000	4,666,275
1	4940001	to	4945000	4,940,180
619				19,965,000

SANA INDUSTRIES LIMITED

Pattern of Shareholding

As of June 30, 2025

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
IBRAHIM YOUNUS	2	545,439	2.73
SABIHA YOUNUS	1	921,308	4.61
HAFIZ MOHAMMED IRFAN NAWAB	1	4,940,180	24.74
MOHAMMED YOUNUS NAWAB	1	4,666,275	23.37
MOHAMMED FAIZANULLAH	1	444,572	2.23
AFSHAN IRFAN	1	881,461	4.42
ISMAIL YOUNUS	1	540,846	2.71
Associated Companies, undertakings and related parties			
	-	-	-
NIT & ICP			
	-	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.			
	1	427	0.00
Insurance Companies			
	-	-	-
Modarabas and Mutual Funds			
	2	668,118	3.35
General Public			
a. Local	589	5,973,595	29.92
b. Foreign	12	7,392	0.04
Others			
	7	375,387	1.88
Totals	619	19,965,000	100.00

Share holders holding 10% or more	Shares Held	Percentage
HAFIZ MOHAMMED IRFAN NAWAB	4,940,180	24.74
MOHAMMED YOUNUS NAWAB	4,666,275	23.37

FORM OF PROXY

M/s.Sana Industries Limited,
33-D-2, Block-6,
P.E.C.H.S,
Karachi.

I/We _____

of _____ holding CNIC No. _____ being a member of

SANA INDUSTRIES LIMITED, and holder of _____ Ordinary Shares as per the Share Register Folio No. _____

and/or CDC Participant I.D.No. _____ and Account / Sub Account No. _____

hereby appoint _____ of _____

or failing him/her _____ of _____

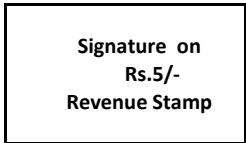
as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 40th Annual General Meeting scheduled to be held on 27th October, 2025 or at any adjournment thereof.

Signed this _____ day of _____ 2025.

Signature of Proxy _____

Folio No. of Shareholder _____

No.of Shares held _____



Signature of Shareholder

WITNESSES

(1) Signature _____

Name _____

CNIC No. _____

Address _____

(2) Signature _____

Name _____

CNIC No. _____

Address _____

NOTES:

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