



41st
Annual Report
2025-2026

Year ended 30 June 2026

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

Audit Committee

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

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

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

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

H.R. & Remuneration Committee

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

C.F.O./Company Secretary

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

Mills

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

Legal Advisors

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

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 41st Annual General Meeting of the shareholders of the Sana Industries Limited will be held on Tuesday, the 27th of October, 2026 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, 2026, together with the Auditors' and Directors' Reports thereon.
- (2) To appoint Auditors of the Company for the year ended 30th June, 2027. 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, 2026, 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, 2027.

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: 5th October, 2026

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 19-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. 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.

5. 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.

6. 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, date of issue, date of expiry, 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.

7. 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, 2026.

8. Postal Ballot/E-voting

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

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

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

Ordinary resolution

AGENDA NO.3 – TRANSACTIONS WITH SUBSIDIARY COMPANIES.

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

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, 2026 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, 2027 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 Tuesday, October 27, 2026 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)
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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)	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: “RESOLVED that the transactions conducted with Related Party as disclosed in Note 44 of the unconsolidated financial statements for the year ended June 30, 2026 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed.”
(2)	To authorize the Chief Executive Officer of the Company to approve transactions with Related Party for the financial year ending June 30, 2027 by passing the following ordinary resolution with or without modification: “RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve the transactions to be conducted with Related Party on case to case basis for the financial year ending June 30, 2026.” “FURTHER RESOLVED that these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.”

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

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

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

Place: _____ Date: _____

NOTES:

1. Duly filled postal ballots should be sent to the Chairman at 33-D-2, Block 6, P.E.C.H.S., Karachi or through email at: (chairman@sana-industries.com)
2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach the Chairman of the Meeting on or before October 23, 2026 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.

اطلاع برائے سالانہ اجلاس عام

بذریعہ مذکور مطلع کیا جاتا ہے کہ شہ اندرسٹریٹ لمیٹڈ کا 41 واں سالانہ اجلاس عام 127 اکتوبر 2026ء (منگل) بوقت سہ پہر 4:00 بجے کمپنی کے دفتر بوقت 33-D-2، بلاک 6، P.E.C.H.S.، کراچی میں درج امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

- 30 جون 2026ء کو اختتام سال کیلئے کمپنی کی تصدیق شدہ مالی کیٹمنٹس معہ ڈائریکٹران اور ڈائریکٹران کی رپورٹس کی وصولی غور و خوض اور ان کی قبولیت۔
- 30 جون 2027ء اختتام سال کے لئے ڈائریکٹران کا تقرر۔ موجودہ ڈائریکٹرز رحمان سرفراز رحیم اقبال رفیق، چارڈا کاٹکس ریتائر ہو گئے اور اہل ہونے کی بناء پر خود کو دوبارہ تفری کے لئے پیش کرتے ہیں۔

خصوصی امور:

عام قرارداد

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

(i) ”قرارداد یا کہ 30 جون 2026ء اختتام سال کیلئے کمپنی کے مالی گوشواروں میں منکشف سال کے دوران تمام متعلقہ پارٹیز ٹرانزیکشنز کمپنی کی طرف سے کی گئی ہیں اور بذریعہ پارٹیز ٹرانزیکشنز منظوری اور توثیق کی جاتی ہے۔

(ii) ”مزید قرارداد یا کہ کمپنی کے بورڈ آف ڈائریکٹرز بذریعہ 30 جون 2027ء کو ختم ہونے والے مالی سال کے دوران معاملے کی بنیاد پر متعلقہ پارٹی کے ساتھ ہونے والے لین وین کو منظور کرنے کا اختیار رکھتے ہیں۔“

”مزید قرارداد یا کہ بورڈ کی طرف سے منظور کیا گیا لین وین حصص یافتگان کی طرف سے منظور شدہ سمجھا جائے گا اور ان کے باضابطہ توثیق/منظوری کے لئے اگلے سالانہ جنرل اجلاس میں شیئرز ہولڈرز کے سامنے رکھا جائے گا۔“

کوئی دیگر امور

- صدر نشین کی اجازت سے کوئی اور امور نمٹانا۔

حسب الحکم بورڈ

(عبدالحسین انتاریہ)

کمپنی سیکریٹری

5 اکتوبر 2026ء

نوٹ:

- اطلاع کتابوں کی بندش

کمپنی کی منتقلی حصص کی کتابیں، 20 اکتوبر 2026ء تا 27 اکتوبر 2026ء (شمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئرز رجسٹر اسی ڈی سی شیئرز رجسٹر اسروسز لمیٹڈ (CDSRSL)، سی ڈی سی ہاؤس، 99-B، بلاک B، SMCHS، کراچی 74400 میں 19 اکتوبر 2026ء کو کاروبار کے اختتام تک وصول ہونیوالی منتقلیاں اجلاس میں شرکت کیلئے بروقت تصور ہوگی۔

- سالانہ اجلاس عام میں شرکت

شیئرز کا کوئی انفرادی یا تنظیمی ادارہ اپنی شناخت ثابت کرنے کے لئے اپنا اصل CNIC یا سپورٹ، اکاؤنٹ اور پرائیویٹ آئی ڈی نمبر لازماً ہمراہ لائے۔ کارپوریٹ ارکان کے نمائندگان بورڈ کی قرارداد/اختیار نامہ اور نامزدہ کے نمونہ دستخط لازماً ہمراہ لائیں۔ سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کی طرف سے جاری شدہ ممبر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی مندرجہ ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ممبر اپنی بجائے شرکت اور ووٹ دینے کیلئے کسی دوسرے ممبر کو اپنا پراسکریٹری مقرر کر سکتا/سکتی ہے۔ پراسکریٹری تا آئندہ مؤثر ہو سکیں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر، 33-D-2، بلاک 6، P.E.C.H.S.، کراچی (فون نمبر: 34322556-59) میں لازماً پہنچ جانی چاہئیں اور وہ دن شمار نہیں کیا جائے گا جس دن کوئی حصہ یوم کار نہ ہو۔ ایک رکن ایک سے زیادہ پراسکریٹری مقرر کرنے کا اہل نہیں ہوگا۔

ارکان سے التماس ہے کہ اپنے تپوں، زکوٰۃ، ڈیکلیریشن (CZ-50) اور ٹیکس ایگریمنٹس حقیقت میں کوئی تبدیلی (اگر کوئی ہو) فی الفور کمپنی کے شیئرز رجسٹری ڈی سی شیئرز رجسٹر اسروسز لمیٹڈ کو مطلع کریں۔

- NTN/CNIC تفصیلات جمع کرنا (لازمی)

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے نوٹیفکیشن SRO 779(I)/2011 مورخہ 18 اگست 2011 اور SRO 831(I)/2012 مورخہ 05 جولائی 2012 کے مطابق، جس میں لازماً قیاد کیا گیا ہے کہ ڈیوٹیڈ بینڈز پر رجسٹرڈ رکن یا جائز فرد، سوائے بالغ اور کارپوریٹ ارکان کے CNIC نمبر لازماً تحریر ہونے چاہئیں۔ اس کے مطابق، ارکان جنہوں نے ابھی تک اپنے موثر CNIC کی کاپی جمع نہیں کرائی یا کارپوریٹ اینٹیز کی صورت میں NTN کمپنی کے شیئرز رجسٹر اکو جمع کرائیں۔ غیر تعمیل کی صورت میں، کمپنی قانون کے مطابق ڈیوٹیڈ بینڈز کا ریڈ روک لگی۔

- نظر ثانی شدہ مالی حسابات اور نوٹسز کی الیکٹرانک ترسیل

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

براہ مہربانی ذہن نشین کر لیں کہ بذریعہ ڈاک وصولی کی بجائے سالانہ مالی حسابات کی وصولی کے لیے ای میل ایڈریس دینا آپشنل ہے۔ بصورت آپ اس سہولت سے مستفید نہیں ہونا چاہتے اس کوٹس کو نظر انداز کر دیں۔ سالانہ مالی حسابات معمول کے مطابق آپ کے رجسٹرڈ پتہ پر ارسال کر دیئے جائیں گے۔

- سی ڈی سی اکاؤنٹس میں فزیکل شیئرز کا جمع کرنا:

کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق، ہر موجودہ کمپنی کو کمپنیز ایکٹ 2017 کے آغاز سے چار سالوں سے زیادہ نہیں مدت کے اندر SECP کی طرف سے جاری کردہ مقررہ اور شکل کے انداز میں اپنے فزیکل شیئرز کو یک انٹری فارم میں تبدیل کرنا ضروری ہوگا۔ مادی شیئرز ہولڈنگ والے حصص یافتگان براہ کرم اپنے مادی حصص کو اسکرپس میں شکل میں رکھنے کے لئے کسی بھی بروکر کے ہاں سی ڈی سی سب اکاؤنٹ یا براہ راست سی ڈی سی کے ہاں انویسٹرز اکاؤنٹ کھولیں کسی بھی استفسار/معلومات کے لئے، سر مایہ کار کمپنی کے شیئرز رجسٹر سے رابطہ کر سکتے ہیں۔

- مادی حصص داران کی لازمی معلومات

کمپنیز ایکٹ 2017 کے سیکشن 119 اور رگولیشن 19 آف کمپنیز (جنرل پروویژنز اور فارمز) رگولیشنز، 2018 کے مطابق، تمام مادی حصص یافتگان سے درخواست کی جاتی ہے کہ وہ فوری طور پر اپنی لازمی معلومات جیسے کہ CNIC نمبر، تاریخ اجراء، معیار ختم ہونے کی تاریخ، ایڈریس، ای میل ایڈریس، موبائل/ٹیلی فون رابطہ نمبر، انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) وغیرہ قانون کی عدم تعمیل یا مستقبل میں کسی پریشانی سے بچنے کے لیے ہمارے شیئرز رجسٹر ارا کو سی ڈی سی شیئرز رجسٹر اسروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک بی، S.M.C.H.S.، مین شارن فیصل، کراچی 74400، ٹال فری فون: 0800-23275، ای میل: info@cdsrsrl.com پر فراہم کریں۔

- ویڈیولنک سہولت کے ذریعے شرکت

ارکان سالانہ اجلاس عام میں ویڈیولنک سہولت کے ذریعے بھی شرکت کر سکتے ہیں۔ ویڈیولنک کے ذریعے AGM میں شرکت کے لئے، ارکان اور پراسکریٹری سے درخواست ہے کہ snai@sana-industries.com پر ای میل کے ذریعے مندرجہ ذیل کو آف بھیج کر خود کو رجسٹر کریں۔

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

ویڈیولنک اور لاگ ان کی اسناد ان شیئرز ہولڈرز کے ساتھ شیئرز کی جائیں گی جن کی ای میل، تمام درخواست کردہ تفصیلات پر مشتمل، دینے گئے ای میل ایڈریس 23 اکتوبر 2026ء کو کاروباری اوقات (شام 5:00 بجے) کے اختتام تک یا اس سے پہلے موصول ہوئی ہے۔

- پوشل بیٹ/ای وونگ

کمپنیز (پوشل بیٹ) رگولیشنز، 2018 کے مطابق، شیئرز ہولڈرز کمپنیز ایکٹ، 2017 کے سیکشن 143 تا سیکشن 145 اور مذکورہ ضوابط میں شامل طریقہ کار کے تقاضوں کے تحت پوشل بیٹ کے ذریعے اپنے ووٹ کا حق استعمال کرنے کی اجازت ہوگی جو کہ ڈاک کے ذریعے یا کسی بھی الیکٹرانک موڈ کے ذریعے وونگ ہیں۔ بیٹ پیپر ہونے ہذا کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ sana-industries.com پر بھی ڈاؤن لوڈ کے لئے دستیاب ہے۔

خصوصی امور سے متعلقہ مادی حقائق کی اسٹیٹمنٹ زید دفعہ 134 بانیکینیز ایکٹ 2017

بیان ہذا نوٹس کے ایجنڈا آئٹم نمبر 4 میں دیئے گئے خصوصی امور سے متعلق مادی حقائق کی وضاحت کی گئی ہے جنہیں شیئرز ہولڈرز کی جانب سے منظور کیا جائے گا۔ بیان کا مقصد ایسے خصوصی امور سے متعلق مادی حقائق کو سامنے لانا ہے۔

عام قرارداد

ایجنڈا آئٹم نمبر 3- ڈیوٹیڈ کمپنیوں کے ساتھ ٹرانزیکشنز

معمول کے کاروبار کے دوران کمپنی نے اپنی ذیلی کمپنی، مثلاً، جنکس (پرائیویٹ) لمیٹڈ اور ٹاڈا ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کے ساتھ کرایہ، بجلی، دیکھ بھال، ہیلتھ انشورنس اور کنٹرولنگ کی ادائیگیوں وغیرہ کی بحالی کے لیے لین دین کرتی ہے جس کی رقم صفر ہے۔

اکثر ڈائریکٹرز ان کمپنیوں میں مشترکہ ڈائریکٹر شپ کی وجہ سے ان لین دین میں دلچسپی رکھتے تھے، اجلاس عام میں حصص یافتگان نے اس کی منظوری دینی ہوتی ہے۔ لہذا، 30 جون، 2026ء کو ختم ہونے والے مالی سال کے دوران کئے گئے لین دین کو شیئرز ہولڈرز کے سامنے ان کی غور و خوض اور منظوری/توثیق کے لئے رکھا جا رہا ہے۔

سال 2026ء کے دوران تمام متعلقہ فریق کے لین دین کا جائزہ لیا گیا اور آڈٹ کمیٹی اور بورڈ نے اپنے متعلقہ اجلاسوں میں اس کی منظوری دی۔ متعلقہ فریق کے ساتھ لین دین قابل رسائی تینوں کے موازنہ کے طریقہ کار کے مطابق طے شدہ قیوتوں پر کیا گیا تھا۔

ایجنڈا نمبر 4

کمپنی کے بورڈ آف ڈائریکٹرز کو 30 جون 2027ء کو ختم ہونے والے مالی سال کے لئے متعلقہ پارٹی کے ساتھ لین دین کی منظوری کا اختیار دینا، جو حصص یافتگان کے سامنے ان کی باضابطہ توثیق/منظوری کے لئے اگلے سالانہ اجلاس عام میں رکھے جائیں گے۔

ڈائریکٹرز کی دلچسپی

کمپنی کے ڈائریکٹرز کی مذکورہ بالا خصوصی امور میں کوئی براہ راست یا بالواسطہ دلچسپی نہیں ہے سوائے اس حد تک کہ وہ کمپنی کے ممبر ہیں۔

REVIEW REPORT BY THE CHAIRMAN

The Company complies with all material requirements set out in the 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 2026, 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. It has demonstrated strong operational oversight during the year by managing a deliberate transition toward high-margin specialty products, supervising a comprehensive restructuring of the subsidiary's operations, and successfully supervising the initial transition toward localized renewable power generation to protect operations against utility cost volatility.

Furthermore, the Board continues to ensure effective fiscal oversight, equitable treatment of all employees, and efficiency in carrying out the Board's business. 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: October 02, 2026

Directors' Report

We are pleased to present the Directors' Report along with the audited Financial Statements for the year ended 30 June 2026. The year was marked by volatile input costs [war], competitive pressures from Imported Yarns only, 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. We are thankful to the Almighty and all Stakeholders for making this possible.

Operational and Financial Performance

The company reported net revenues of **Rs. 1,802.43 million** compared to Rs. 2,416.29 million in FY25, a decline largely driven by the strategic discontinuation of loss-making contracts and capacity rationalization to optimize our energy mix.

Gross profit stood at **Rs. 252.06 million (13.98%)**, versus Rs. 203.36 million (8.42%) last year. While top-line revenue contracted due to our focus on less but profitable activity, the significant improvement in the gross profit margin underscores the company's ability to manage resources efficiently and successfully transition toward higher-margin specialized products.

Operating profit closed at **Rs. 117.04 million**, compared to Rs. 66.38 million last year, demonstrating a strong operational turnaround and adaptive cost control measures. Administrative expenses were effectively reduced to Rs. 84.31 million from Rs. 99.13 million. Other income normalized to **Rs. 63.57 million** from Rs. 327.35 million in FY25, which had been elevated by a one-off windfall gain from the sale of an investment property in the previous year.

Finance costs reduced significantly to **Rs. 129.35 million** from Rs. 192.98 million last year due to improved financial structuring and a disciplined reduction in borrowing levels. Consequently, profit before taxes and levies was recorded at **Rs. 51.26 million**, against Rs. 200.76 million in FY25.

Liquidity and Cash Flow

During our transition to lower, more profitable production levels. Strategic inflows and rationalized working capital lines relieved short-term borrowing pressures. This allowed the company to allocate resources efficiently, funding ongoing factory operations and meeting all debt commitments.

Solar System Installation

During the year, the Company successfully advanced its energy transition. In response to elevated energy tariffs and rising gas costs, the company towards the end of November 2025, transitioned toward an efficient energy mix consisting of utility grid-electricity backed by a new, self-financed **1.1 MW solar power system** which became fully operational by the end of January 2026. This transition cut factory fuel and power costs from Rs. 256.80 million down to Rs. 124.72 million, heavily optimizing operations, lowering our carbon footprint, and contributing positively to the environment.

Industry and Economic Overview

The synthetic yarn spinning sector in Pakistan is very much developing and growing, with adaption of new technology and machines; yet it faces challenges of unfair competition from imported yarns. Elevated energy tariffs as compared to regional countries remain the biggest concern, significantly inflating production costs. The domestic sector faces severe price competition from imported products, primarily from China, where lower regional energy pricing structurally favors and supports the Chinese industry in mass-produced varieties.

Furthermore, within access to northern markets is getting costlier due to elevated logistics and distribution costs, because of rising fuel prices. Together, these pressures have forced many spinners to scale back operations, prompting your management to shift focus toward the closer, more accessible southern market and concentrate on specialty Products.

Outlook

The company acknowledges that high energy costs and global import competition will remain immediate challenges. However, the operational turnaround achieved in the latter part of FY26 demonstrates the effectiveness of strategic decisions and adaptability. Going forward, management will focus on:

- Long-term roadmap planning to increase renewable power generation and minimize reliance on external utilities.
- Shifting production lines toward high-margin specialty products.
- Driving operational efficiency, value-added solutions, and resource optimization.

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, 2027. 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

Considering the prevailing economic conditions and upcoming capital allocations for long-term sustainability projects, 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, 2026. Total value of assets / investments as at June 30, 2026 were Rs. 78,141,677/-.

Directors' Remuneration

The Company discloses the remuneration package of each director and the Chief Executive, including salary, benefits, bonuses, stock options, pension and other incentives. Further details are disclosed in **Note 38** to the Financial Statements.

Board of Directors

A total of 05 Meetings of the Board of Directors were held during the financial year ended 30th June 2026. Number of Meetings attended by each Directors are stated as follows:

Name of Directors	Number of meetings attended
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. Mr. Abdus Sami Qureshi	5
7. Ms. Zainab Hanif Dhedhi	5

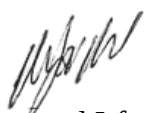
Adequacy of Internal Financial Controls:

Adequacy of Internal Financial Controls the Directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and Auditors (both internal and external), they confirm that adequate controls have been implemented by the Company

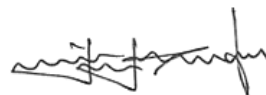
Acknowledgement

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: 06 October 2026

ڈائریکٹرز رپورٹ

ہمیں 30 جون 2026 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔ یہ سال خام مال کی غیر مستحکم لاگت، صرف امپورٹڈ یارن (درآمد شدہ دھاگے) کی طرف سے مسابقتی دباؤ، اور ٹیکسٹائل کے شعبے میں ساختی بگاڑ کا شکار رہا۔ ان مشکلات کے باوجود، کمپنی نے لچک، آپریشنل ڈسپلن اور سٹریٹجک تبدیلیوں کی بدولت سال کا اختتام منافع کے ساتھ کیا۔ ہم اللہ تعالیٰ اور تمام اسٹیک ہولڈرز کے شکر گزار ہیں جنہوں نے اسے ممکن بنایا۔

آپریشنل اور مالیاتی کارکردگی

کمپنی نے 1,802.43 ملین روپے کی خالص آمدن (نیٹ ریونیو) رپورٹ کی جبکہ مالی سال 25 میں یہ 2,416.29 ملین روپے تھی، اس کمی کی بڑی وجہ نقصان دہ معاہدوں کا سٹریٹجک خاتمہ اور ہمارے توانائی کے نظام کو بہتر بنانے کے لیے پیداواری صلاحیت کو متوازن کرنا تھا۔

مجموعی منافع (گراس پرافٹ) گزشتہ سال کے 203.36 ملین روپے (8.42%) کے مقابلے میں 252.06 ملین روپے (13.98%) رہا۔ اگرچہ کم لیکن منافع بخش سرگرمیوں پر ہماری توجہ کی وجہ سے کل آمدن میں کمی آئی، لیکن مجموعی منافع کے مارجن میں نمایاں بہتری کمپنی کی وسائل کو مؤثر طریقے سے سنبھالنے اور زیادہ مارجن والی خصوصی مصنوعات کی طرف کامیابی سے منتقل ہونے کی صلاحیت کو ظاہر کرتی ہے۔

آپریشنل منافع (آپریٹنگ پرافٹ) گزشتہ سال کے 66.38 ملین روپے کے مقابلے میں 117.04 ملین روپے پر بند ہوا، جو کہ ایک مضبوط آپریشنل بہتری اور لاگت کو قابو میں رکھنے کے موافق اقدامات کا ثبوت ہے۔ انتظامی اخراجات کو 99.13 ملین روپے سے مؤثر طریقے سے کم کر کے 84.31 ملین روپے کر دیا گیا۔ دیگر آمدنی مالی سال 25 میں 327.35 ملین روپے سے نارمل ہو کر 63.57 ملین روپے رہ گئی، جو کہ گزشتہ سال ایک سرمایہ کاری کی ملکیت (انوسٹمنٹ پراپرٹی) کی فروخت سے حاصل ہونے والے یکمشت غیر معمولی منافع کی وجہ سے زیادہ تھی۔

بہتر مالیاتی ڈھانچے اور قرضوں کی سطح میں ڈسپلن کے ساتھ کمی کی وجہ سے مالیاتی لاگت گزشتہ سال کے 192.98 ملین روپے سے نمایاں طور پر کم ہو کر 129.35 ملین روپے رہ گئی۔ نتیجے کے طور پر، ٹیکس اور لیویز سے پہلے کا منافع مالی سال 2025 میں 200.76 ملین روپے کے مقابلے میں 51.26 ملین روپے ریکارڈ کیا گیا۔

لیکویڈیٹی اور کیش فلو

کم اور زیادہ منافع بخش پیداواری سطحوں کی طرف منتقلی کے دوران، سٹریٹجک آمدن اور متوازن ورکنگ کیپیٹل لائنز نے قلیل مدتی قرضوں کے دباؤ کو کم کیا۔ اس سے کمپنی کو وسائل کو مؤثر طریقے سے مختص کرنے، فیکٹری کے جاری آپریشنز کو فنڈ دینے اور قرض کی تمام ذمہ داریوں کو پورا کرنے میں مدد ملی۔

سولر سسٹم کی تنصیب

سال کے دوران، کمپنی نے توانائی کی منتقلی میں کامیابی سے پیش رفت کی۔ توانائی کے زائد ٹیرف اور گیس کی بڑھتی ہوئی قیمتوں کے جواب میں، کمپنی نے نومبر 2025 کے آخر میں یوٹیلیٹی گرڈ کی بجلی اور ایک نئے، ذاتی فنڈز سے لگائے گئے 1.1 میگاواٹ کے سولر پاور

سسٹم پر مشتمل ایک موثر توانائی کے امتزاج کی طرف منتقلی کی جو جنوری 2026 کے آخر تک مکمل طور پر فعال ہو گیا۔ اس منتقلی نے فیکٹری کے ایندھن اور بجلی کے اخراجات کو 256.80 ملین روپے سے کم کر کے 124.72 ملین روپے کر دیا، جس سے آپریشنز کو بڑے پیمانے پر بہتر بنایا گیا، ہمارے کاربن فوٹ پرنٹ کو کم کیا گیا اور ماحولیات پر مثبت اثرات مرتب ہوئے۔

صنعت اور معاشی جائزہ

پاکستان میں سنتھیٹک یارن اسپننگ کا شعبہ نئی ٹیکنالوجی اور مشینوں کو اپنانے کے ساتھ کافی ترقی اور فروغ پا رہا ہے؛ تاہم اسے درآمد شدہ دھاگوں کی طرف سے غیر منصفانہ مقابلے کے چیلنجز کا سامنا ہے۔ علاقائی ممالک کے مقابلے میں توانائی کے زیادہ ٹیرف سب سے بڑی تشویش بنے ہوئے ہیں، جس سے پیداواری لاگت میں نمایاں اضافہ ہو رہا ہے۔ ملکی شعبے کو درآمد شدہ مصنوعات، خاص طور پر چین سے شدید قیمتوں کے مقابلے کا سامنا ہے، جہاں علاقائی توانائی کی کم قیمتیں بڑے پیمانے پر تیار ہونے والی اقسام میں چینی صنعت کو ساختی طور پر فائدہ پہنچاتی اور مدد دیتی ہیں۔

مزید برآں، ایندھن کی بڑھتی ہوئی قیمتوں کی وجہ سے زیادہ لاجسٹکس اور تقسیم کے اخراجات کے باعث شمالی منڈیوں تک رسائی مہنگی ہو رہی ہے۔ ان تمام دباؤ نے مل کر بہت سے اسپنرز کو اپنے آپریشنز کم کرنے پر مجبور کر دیا ہے، جس کی وجہ سے آپ کی مینجمنٹ نے اپنی توجہ قریبی اور زیادہ قابل رسائی جنوبی منڈی کی طرف منتقل کرنے اور خصوصی مصنوعات پر توجہ مرکوز کرنے پر دی ہے۔

مستقبل کا منظر نامہ

کمپنی تسلیم کرتی ہے کہ توانائی کے زیادہ اخراجات اور عالمی درآمدی مقابلہ فوری چیلنجز رہیں گے۔ تاہم، مالی سال 26 کے آخری حصے میں حاصل ہونے والی آپریشنل بہتری سٹریٹجک فیصلوں کی تاثیر اور موافقت کی صلاحیت کو ظاہر کرتی ہے۔ آگے بڑھتے ہوئے، مینجمنٹ ان امور پر توجہ مرکوز کرے گی:

- قابل تجدید بجلی کی پیداوار بڑھانے اور بیرونی یوٹیلیٹیز پر انحصار کم کرنے کے لیے طویل مدتی روڈ میپ کی منصوبہ بندی۔
- پروڈکشن لائنز کو زیادہ مارجن والی خصوصی مصنوعات کی طرف منتقل کرنا۔
- آپریشنل کارکردگی، ویلیو ایڈڈ سلوشنز اور وسائل کی بہتری کو فروغ دینا۔

بورڈ کو پورا بھروسہ ہے کہ کمپنی کا ڈسپلن پر مبنی انداز، طویل مدتی پائیداری پر توجہ کے ساتھ مل کر، آنے والے سالوں میں شیئر ہولڈرز کی قدر (ویلیو) کو برقرار رکھے گا۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہونے والے ہیں، لیکن انہوں نے 30 جون 2027 کو ختم ہونے والے مالی سال کے لیے دوبارہ تقرری کے لیے اپنی رضامندی ظاہر کی ہے۔ ہم ان کی مہارت کی قدر کرتے ہیں اور ان کے مسلسل تعاون کے منتظر ہیں۔

شیئرز ہولڈنگ کا پیٹرن

اسٹاک ایکسچینج کو 28 مارچ 2002 کے ایس ای سی پی (SECP) سرکولر کے تحت تجویز کردہ شیئرز ہولڈنگ کا پیٹرن اس سالانہ رپورٹ میں شامل کر دیا گیا ہے۔

ڈیویڈنڈ اور بونس کا اعلان

موجودہ معاشی حالات اور طویل مدتی پائیداری کے منصوبوں کے لیے آنے والے کیپیٹل الاٹمنٹ کے پیش نظر، ہمیں اپنے اسٹیک ہولڈرز کو یہ بتاتے ہوئے افسوس ہو رہا ہے کہ اس سال کسی ڈیویڈنڈ کا اعلان نہیں کیا گیا۔ ہمارا ماننا ہے کہ یہ فیصلہ کمپنی کے بہترین مفاد اور اس کی طویل مدتی ترقی کی حکمت عملی میں ہے۔

ڈائریکٹرز کا بیان

مالیاتی گوشوارے کمپنی کے معاملات کی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

- کمپنی نے اکاؤنٹس کی مناسب کتابیں برقرار رکھی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہوتے ہیں، کی پیروی کی گئی ہے اور ان سے کوئی بھی انحراف، اگر کوئی ہو، تو اسے مناسب طور پر ظاہر اور واضح کیا گیا ہے۔
- اندرونی کنٹرول کا نظام مضبوط ڈیزائن کا ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔
- کمپنی کے بطور 'گونگ کنسرن' (جاری رہنے کی صلاحیت) برقرار رہنے پر کوئی اہم شکوک و شبہات نہیں ہیں۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے، جیسا کہ اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں تفصیل سے بتایا گیا ہے۔
- کمپنی ایک منظور شدہ گریجویٹ فنڈ چلاتی ہے، جس کا انتظام ایک گریجویٹ فنڈ ٹرسٹ کے ذریعے کیا جاتا ہے، جو اس کے ان تمام ملازمین کا احاطہ کرتا ہے جنہوں نے اپنی اہلیت کی مدت پوری کر لی ہے۔ اکاؤنٹنگ اینٹریز کے حساب کتاب کے لیے پروجیکٹ یونٹ کریڈٹ ایکچوریٹل کاسٹ میتھڈ (PUC) استعمال کیا گیا تھا، یہ طریقہ IAS-19 کے تازہ ترین ورژن کے تحت لازمی ہے۔ اسکیم کی سب سے حالیہ ایکچوریٹل ویلیویشن 30 جون 2026 کو کی گئی تھی۔ 30 جون 2026 تک اثاثوں / سرمایہ کاری کی کل مالیت 78,141,677/- روپے تھی۔

ڈائریکٹرز کا معاوضہ

کمپنی ہر ڈائریکٹر اور چیف ایگزیکٹو کے معاوضے کے پیکج کو ظاہر کرتی ہے، بشمول تنخواہ، مراعات، بونس، اسٹاک آپشنز، پنشن اور دیگر مراعات۔ مزید تفصیلات مالیاتی گوشواروں کے نوٹ 38 میں بتائی گئی ہیں۔

بورڈ آف ڈائریکٹرز

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے کل 05 اجلاس ہوئے۔ ہر ڈائریکٹر کی طرف سے شرکت کی جانے والی میٹنگز کی تعداد درج ذیل ہے:

ڈائریکٹرز کے نام	شرکت کی گئی میٹنگز کی تعداد
جناب محمد یونس نواب	5
جناب محمد عرفان نواب	5
جناب ابراہیم یونس	5
جناب اسماعیل یونس	5
جناب محمد فیضان اللہ	5
جناب عبد السمیع قریشی	5
محترمہ زینب حنیف ڈھیڈھی	5

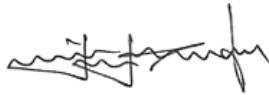
اندرونی مالیاتی کنٹرول کی موزونیت:

ڈائریکٹرز اندرونی مالیاتی کنٹرول کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں۔ مینجمنٹ اور آڈیٹرز (داخلی اور خارجی دونوں) کے ساتھ بات چیت کے ذریعے، وہ تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کیے گئے ہیں۔

اظہار تشکر

ہم اپنے شیئر ہولڈرز، ملازمین اور پارٹنرز کے اٹل تعاون اور لگن کے لیے ان کا شکریہ ادا کرنا چاہتے ہیں۔ ہم سامنے آنے والے مواقع سے فائدہ اٹھاتے ہوئے مستقبل کے چیلنجز سے نمٹنے کے لیے پرعزم ہیں۔ ہم سب مل کر کمپنی کی کارکردگی کو بہتر بنانے اور تمام اسٹیک ہولڈرز کو ویلیو فراہم کرنے کے لیے کوشاں رہیں گے۔

بورڈ کی جانب سے



محمد فیضان اللہ

ڈائریکٹر



محمد عرفان نواب

چیف ایگزیکٹو

کراچی: 06 اکتوبر 2026

SANA Industries Limited

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

Comparison with last year

Annexure "A"

Covering period	From To	01/Jul/2025	01/Jul/2024	VARIATION	
		30/Jun/2026	30/Jun/2025	Amount	Percentage
Turnover - net		2,326	3,445	(1,119)	-32.47%
Cost of Sales		(2,019)	(3,180)	1,161	-36.50%
Gross (loss) / Profit		307	265	42	15.97%
G.P. Rate to Sales		13.21%	7.69%		
Administrative, Selling, Financial & Other expenses		(337)	(449)	112	-24.93%
Other Income		88	370	(282)	-76.33%
Operating (loss) / Profit before tax		58	186	(128)	-68.89%
Operating (loss) / Profit to sales ratio		2.49%	5.40%		
Provision for Levis and Taxation		(25)	(94)	69	-73.87%
(Loss) / Profit after taxation		33	92	(59)	-63.81%
(Loss) / Profit per share before tax - Holding Co.		3.13	9.30	(6)	-66.39%
(Loss) / Profit per share after tax - Holding Co.		1.90	4.58	(3)	-58.63%

Comparison with last quarter

Annexure "B"

Covering period	From To	01/Apr/2026	01/Jan/2026	VARIATION	
		30/Jun/2026	31/Mar/2026	Amount	Percentage
Turnover - net		827	354	474	133.94%
Cost of Sales		(672)	(290)	(381)	131.26%
Gross (loss) / Profit		155.463704	63	92	146.28%
G.P. Rate to Sales		18.79%	17.85%		
Administrative, Selling, Financial & Other expenses		4	(101)	105	-104.30%
Other Income		53	20	34	169.11%
Operating (loss) / Profit before tax		213	(18)	231	-1280.18%
Operating (loss) / Profit to sales ratio		25.78%	-5.11%		
Earning per share (before tax)		10.68	(0.91)		

SANA Industries Limited

COMPARISON OF BALANCE SHEET OF FOUR QUARTERS (CONSOLIDATED)

Annexure "C"

	1ST QUARTER 30-Sep-25 Rupees	2nd QUARTER 31-Dec-25 Rupees	3rd QUARTER 31-Mar-26 Rupees	4th QUARTER 30-Jun-26 Rupees
ASSETS				
Non- current assets				
Property, plant and equipment	1,009,696,149	1,046,907,611	1,091,261,186	1,057,879,579
Right-of-use assets	2,235,407	1,860,407	1,485,407	1,305,203
Intangibles	-	-	-	-
Long term advance, deposits and prepayments	130,567,371	73,621,943	41,179,243	84,427,324
Deferred tax asset - net	15,533,855	-	-	13,836,401
	1,158,032,782	1,122,389,961	1,133,925,836	1,157,448,507
Current assets				
Stock-in-trade	153,703,937	146,240,727	146,020,089	289,324,307
Stores and spares	12,106,376	24,191,483	11,921,696	11,295,796
Trade debts	647,017,550	596,478,888	374,640,537	708,004,081
Loans and advances	115,556,602	38,571,092	20,043,565	19,697,058
Deposits and short term prepayments	128,468,241	60,944,716	106,784,615	147,179,280
Short term investments	11,666,946	11,666,946	6,716,946	45,357,929
Other receivables	497,786,294	319,708,617	224,426,281	194,764,403
Tax refunds due from government	158,527,679	160,273,912	191,105,948	154,559,809
Assets held for sale	-	-	-	-
Cash and bank balances	80,003,324	77,765,576	122,872,322	271,149,085
	1,804,836,949	1,435,841,957	1,204,531,999	1,841,331,748
Total assets	2,962,869,731	2,558,231,918	2,338,457,835	2,998,780,255
EQUITY AND LIABILITIES				
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	327,771,131	284,571,029	285,556,885	433,954,562
	460,271,131	417,071,029	418,056,885	566,454,562
Equity attributable to the shareholders of Holding Co.	756,171,131	712,971,029	713,956,885	862,354,562
Non controlling interest	73,180,662	70,295,491	67,982,556	71,692,115
Total equity	829,351,793	783,266,520	781,939,441	934,046,677
Non-current liabilities				
Lease liability	12,165,840	18,282,729	24,341,022	-
Deferred tax	-	2,528,282	3,279,301	-
Subordinated loan from directors	10,800,000	10,800,000	10,800,000	-
Long term financing	132,666,863	123,140,808	114,019,933	98,813,833
Deferred liabilities	102,179,042	107,372,042	116,701,304	29,083,844
	257,811,745	262,123,861	269,141,560	127,897,677
Current liabilities				
Short term borrowings	695,402,372	620,943,857	581,442,011	708,935,111
Trade and other payables	766,413,945	503,064,896	338,103,303	647,559,980
Accrued markup	16,010,083	15,780,804	13,779,542	18,301,335
Loans from directors and associates	248,658,577	231,063,244	227,063,244	331,826,122
Unclaimed dividend	2,005,663	2,005,663	2,005,661	2,005,663
Payable to provident fund	-	-	-	15,547,855
Taxation-net	3,815,017	7,582,537	7,582,537	1,663,950
Current maturity of long term liability	143,400,536	132,400,536	117,400,536	210,995,885
	1,875,706,193	1,512,841,537	1,287,376,834	1,936,835,901
Contingencies and commitments	-	-	-	-
Total equity and liabilities	2,962,869,731	2,558,231,918	2,338,457,835	2,998,780,255

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

Annexure "D"

	1ST QUARTER 30-Sep-25 Rupees	2nd QUARTER 31-Dec-25 Rupees	3rd QUARTER 31-Mar-26 Rupees	4th QUARTER 30-Jun-26 Rupees	YTD 30-Jun-26 Rupees
Revenues - net	570,496,015	575,136,058	353,613,981	827,245,696	2,326,491,750
Cost of sales	(527,359,394)	(529,531,887)	(290,488,357)	(671,781,992)	(2,019,161,630)
Gross Profits	43,136,621	45,604,171	63,125,624	155,463,704	307,330,120
GP RATE	7.56%	7.93%	17.85%	18.79%	13.21%
Administrative expenses	(37,175,131)	(35,005,748)	(35,432,842)	(6,084,911)	(113,698,632)
Distribution expenses	(18,651,919)	(26,134,410)	(20,972,118)	(287,498)	(66,045,945)
Other operating expenses	-	-	-	(26,893,561)	(26,893,561)
	(55,827,050)	(61,140,158)	(56,404,960)	(33,265,970)	(206,638,138)
Profit / (Loss) before interest and tax	(12,690,429)	(15,535,987)	6,720,664	122,197,734	100,691,982
Other income	1,739,573	12,556,097	19,858,217	53,441,012	87,594,899
Finance costs	(58,095,123)	(65,295,375)	(44,647,825)	37,606,962	(130,431,361)
Profit / (Loss) before taxation	(69,045,979)	(68,275,265)	(18,068,944)	213,245,708	57,855,520
Levise	(11,994,720)	(3,142,094)	(14,348,031)	(3,323,190)	(32,808,035)
Taxation expense	12,366,950	15,504,231	(6,928,743)	(12,698,059)	8,244,379
Profit / (Loss) after Levise and Taxation	(68,673,749)	(55,913,128)	(39,345,718)	197,224,459	33,291,864

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-2026	Jun-2025	Jun-2024	Jun-2023 Restated	Jun-2022 Restated	Jun-2021
OPERATING RESULTS						
Turnover - Net	1,802	2,416	3,804	2,886	2,631	2,129
Gross profit	252	203	300	127	305	263
Operating expenses	135	137	154	130	105	102
Operating profit / (loss)	117	66	146	(3)	199	162
Financial charges	129	193	250	200	96	60
Profit / (Loss) before levies and taxes	51	201	(97)	(183)	173	137
Levies and taxation	(16)	(89)	22	78	46	42
Profit / (Loss) after tax	35	112	(75)	(105)	128	95
FINANCIAL POSITION						
Paid-up Capital	200	200	200	200	121	110
Retained earnings	459	398	245	307	510	403
Total equity	887	826	674	735	859	513
Long term loans	99	158	230	291	131	60
Deferred Liabilities	29	94	152	177	118	106
Current liabilities	1708	1644	1,519	1,370	955	807
Total assets	2723	2722	2,576	2,573	2,157	1,485
Fixed assets (Gross)	1,560	1,467	1,620	1,592	1,267	1,139
Accumulated depreciation	520	466	494	431	394	742
Fixed assets (Net)	1039	1001	1,126	1,161	873	397
Long term investment	95	95	95	95	95	95
Long term deposits	82	140	14	3	3	3
Deferred tax assets / (liabilities)	14	15	80	16	(94)	13
Current assets	1492	1425	1,137	1,151	1,059	977
RATIOS						
Fixed Assets Turnover	1.73	2.41	3.38	2.49	4.15	5.36
Trade Debts (days)	103	66	37	58	51	62
Inventory turnover (times)	6.89	9.35	10.21	8.04	7.30	8.44
Inventory turnover (days)	53	39	36	45	50	43
Sales growth %	-25%	-36%	45%	36%	24%	50%
Gross profit margin %	14%	8%	8%	4%	12%	12%
Total charges as % to sales	15%	14%	11%	11%	8%	8%
Net profit before tax % to sales	3%	8%	-3%	-6%	7%	6%
Tax rate (Effective) %	29%	29%	29%	29%	29%	29%
Net profit after tax (% to sales)	2%	5%	-2%	-4%	5%	4%
Return on Equity % (after tax)	3.97%	13.56%	-11.13%	-14.29%	21.44%	18.48%
Earning per share pre-tax	2.57	10.07	(4.86)	(9.17)	8.67	13.17
Earning per share after tax	1.77	5.61	(3.76)	(5.26)	6.43	9.10
Break-up value per share	44.37	41.30	33.76	36.81	49.44	46.62
Debt Equity Ratio	13:87	23:77	36:64	39:61	29:71	24:76
Current Ratio	0.87	0.87	0.74	0.84	1.10	1.21
Quick Ratio	0.74	0.73	0.55	0.61	0.68	0.91
DISTRIBUTION						
Dividend per share Rs.	Nil	Nil	Nil	Nil	2.50	2.50
Stock Dividend	Nil	Nil	Nil	65%	0%	10%
Dividend payout	0%	0%	0%	0%	24%	34%

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

Name of the Company: Sana Industries Limited

Year ending : 30th June, 2026.

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.
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, 2026), following Directors have attended Directors training program:

- a. Mr. Ismail Younus
- b. Mr. Muhammad Faizanullah
- c. 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	
Ms. 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
Syed Amjad Ahmed	Secretary

13. The terms of reference of the aforesaid committees have been formed, documented and advised by 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. Faisal Hassan & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of

ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not 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; and

- 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.

- 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. During the year, the Board and its committees continued to review their functioning and performance and provided feedback and suggestions for improvement. To further strengthen and formalize this process, 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 going forward. 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 LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Sana Industries Limited** ('the Company') for the year ended **June 30, 2026** 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, 2026.

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 number 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, 2026, 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	As per the Regulation No. 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. 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.
(3)	Explanation for non-compliance is required (Non-Mandatory)	19	As required under Regulation 10(3)(v), the Board recognizes the importance of having a formal and effective mechanism for the annual evaluation of the Board, its members and committees. While the Board and its committees regularly review their performance and effectiveness, the formal documented evaluation process is being further strengthened. To this end, management has developed a structured evaluation mechanism, which will be implemented annually and formally reviewed by the Board from the next financial year. This initiative will further enhance governance effectiveness and ensure compliance with the regulatory requirements.
(4)	Explanation for non-compliance is required (Non-Mandatory)	19	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. 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.

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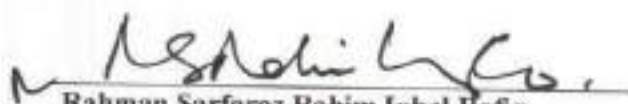
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S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(5)	Explanation for non-compliance is required (Non-Mandatory)	19	As per the Regulation no. 30 of the Regulations, the Board may constitute a separate committee, designated as the Risk Management Committee, of such number and class of directors, as it may deem appropriate in the circumstances. 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.

Karachi.

Date: October 05, 2026

UDIN: CR202610210FKAyp5G2B


Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

**UNCONSOLIDATED FINANCIAL STATEMENTS
OF
SANA INDUSTRIES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2026**

**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, 2026**, 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, 2026** and of the profit, total comprehensive profit, 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 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;

Com'd... P/4



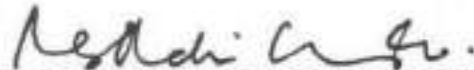
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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

(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 05, 2026
UDIN: AR202610210014HcEK16

Sana Industries Limited

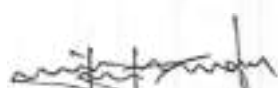
Unconsolidated Statement of Financial Position

As at June 30, 2026

		2026	2025
	Note	Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,039,158,964	1,000,731,282
Right-of-use assets	5	1,305,203	2,610,407
Investment in subsidiaries	6	94,999,990	94,999,990
Long term advances, deposits and prepayments	7	81,543,021	140,268,521
Deferred taxation - net	8	14,015,073	14,569,752
		1,231,022,251	1,253,179,952
Current assets			
Stock-in-trade	9	232,989,889	216,847,705
Stores and spares	10	11,295,796	12,490,226
Trade debts - unsecured	11	620,405,396	530,105,049
Loans and advances	12	18,097,058	38,335,971
Deposits and short term prepayments	13	132,520,380	136,908,303
Short term investments	14	45,357,929	11,666,946
Other receivables	15	117,022,009	406,381,700
Tax refunds due from government	16	85,905,779	59,730,900
Cash and bank balances	17	228,605,709	12,145,729
		1,492,199,865	1,424,612,529
Total assets		2,723,222,116	2,677,792,481
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorized capital</i>			
20,000,000 (2025: 20,000,000) ordinary shares of Rs 10/- each			
		200,000,000	200,000,000
Issued, subscribed and paid up capital	18	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
Unappropriated profits		591,583,269	397,655,399
		591,583,269	530,155,399
		887,483,269	826,055,399
Non-current liabilities			
Lease liability	19	-	11,000,168
Long term financing - secured	20	98,813,833	147,202,521
Deferred liabilities	21	29,083,844	94,116,904
		127,897,677	252,319,683
Current liabilities			
Short term borrowings - secured	22	708,935,111	722,877,972
Trade and other payables	23	450,439,125	597,752,175
Loan from directors and sponsors - unsecured	24	317,164,051	106,550,000
Accrued markup	25	18,301,335	22,831,052
Current maturity of long term liabilities	26	210,995,885	147,400,537
Unclaimed dividend		2,005,663	2,005,663
		1,707,841,170	1,599,417,390
Contingencies and commitments	27		
Total equity and liabilities		2,723,222,116	2,677,792,481

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.


Chief Executive


Director


Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Profit or Loss

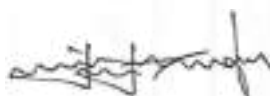
For the year ended June 30, 2026

	Note	2026 Rupees	2025
Revenue- net	28	1,802,425,998	2,416,293,478
Cost of sales	29	(1,550,364,750)	(2,212,936,306)
Gross profit		252,061,248	203,357,172
Administrative expenses	30	(84,306,575)	(99,131,728)
Distribution expenses	31	(34,136,115)	(37,843,643)
Other operating expenses	32	(16,579,215)	-
		(135,021,905)	(136,975,371)
Operating profit		117,039,343	66,381,801
Other income	33	63,574,363	327,352,288
Finance costs	34	(129,346,224)	(192,976,846)
		(65,771,861)	134,375,442
Profit before levies and taxation		51,267,482	200,757,243
Levies	35	(26,155,277)	-
Profit before taxation		25,112,205	200,757,243
Taxation	36	10,137,721	(89,323,878)
Profit after taxation		35,249,926	111,433,365
Earning per share - basic and diluted	37	1.77	5.58

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.




Chief Executive


Director


Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Comprehensive Income

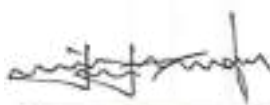
For the year ended June 30, 2026

	2026	2025
	Rupees	
Profit after taxation	35,249,926	111,433,365
Other comprehensive income		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Actuarial gain on remeasurement of defined benefit plan	36,870,344	57,401,391
Deferred tax on above	(10,692,400)	(16,646,403)
	26,177,944	40,754,988
Total comprehensive income for the year	61,427,870	152,188,353

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements:

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Chief Executive

Director

Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Changes in Equity

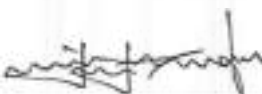
For the year ended June 30, 2026

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves General reserve	Unappropriated profits	Total
			Rupees		
Balance as at June 30, 2024	199,650,000	96,250,000	132,500,000	245,467,046	673,867,046
Total comprehensive income for the year ended June 30, 2025					
- Profit after taxation	-	-	-	111,433,363	111,433,363
- Other comprehensive income	-	-	-	40,754,988	40,754,988
	-	-	-	152,188,353	152,188,353
Balance as at June 30, 2025	199,650,000	96,250,000	132,500,000	397,652,399	826,052,399
Transfer of general reserve	-	-	(132,500,000)	132,500,000	-
Total comprehensive income for the year ended June 30, 2026					
- Profit after taxation	-	-	-	35,249,926	35,249,926
- Other comprehensive income	-	-	-	26,177,944	26,177,944
	-	-	-	61,427,870	61,427,870
Balance as at June 30, 2026	199,650,000	96,250,000	-	591,583,269	887,483,269

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.

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Chief Executive


Director


Chief Financial Officer

Sana Industries Limited

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before levies and taxation

Adjustments for:

- Depreciation on property, plant and equipment
- Depreciation on right-of-use assets
- Provision for Sindh Infrastructure Development Cess
- Provision for staff retirement benefits
- Impairment of stock-in-trade
- Provision for slow moving items
- Provision for expected credit losses
- Depreciation on investment property
- Profit on bank deposits
- Impairment of plant and machinery
- Gain on sale of operating fixed assets
- Liability of WPPF written back
- Unrealised gain on re-measurement of short term investments
- Rental income
- Finance costs

Cash generated from / (used in) operating activities before working capital changes

Effect on cash flow due to working capital changes

(Increase) / decrease in current assets

- Stock-in-trade
- Stores and spares
- Trade debts
- Loan and advances
- Trade deposits and short term prepayments
- Other receivables
- Sales tax refundable

Increase / (decrease) in current liabilities

- Trade and other payables

Cash generated from operations

- Income tax paid
- Payment of Worker participation Fund
- Payment of Workers' Welfare Fund
- Long term deposits and prepayments - net
- Finance cost paid

Net cash generated from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment

Long term advance paid

Proceeds from disposal of operating fixed assets

Short term investments made

Proceeds from rental income

Profit received on bank deposits

Net cash (used in) / generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term musharaka

Repayment of loan against Islamic temporary economic refinance

Repayment of lease liability (principal repayment)

Short term borrowings - net

Loan received from directors and sponsors

Loan repaid to directors and sponsors

Net cash generated from / (used in) financing activities

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Note	2026	2025
	Rupees	
	51,267,482	200,757,243
4	56,045,000	60,428,117
5	1,305,204	4,041,190
21.3	2,909,989	-
21.2.3	14,684,161	22,582,459
32	10,585,921	-
32	872,082	(488,904)
32	176,492	(1,654,642)
33	-	2,291,040
33	(4,327,250)	(1,280,920)
33	4,944,720	-
33	(415,600)	(372,073,779)
33	(12,247,633)	-
33	(31,459)	(306,516)
33	(30,000,000)	(36,234,711)
34	129,346,224	192,976,846
	173,848,451	(129,719,820)
	225,115,933	71,037,423
	(26,728,025)	39,883,022
	322,348	18,654,797
	(90,476,839)	(55,586,283)
	20,238,913	(29,345,316)
	4,387,923	(16,199,122)
	289,359,691	25,098,602
	(26,722,092)	(42,061,713)
	(138,494,514)	126,442,377
	31,887,405	66,886,364
	257,003,338	137,923,787
16.1	(22,070,608)	(32,623,806)
23.3	(108,359)	-
23.4	-	(3,000,000)
	23,282,900	(80,915,470)
	(106,936,300)	(209,985,495)
	151,170,871	(188,600,984)
	(64,184,702)	(4,223,847)
	-	(32,500,000)
	625,000	241,902,416
	(33,659,524)	(6,450,000)
	30,000,000	36,234,711
	4,327,250	1,280,920
	(62,891,976)	236,244,200
	(26,823,361)	(30,821,788)
	(41,666,744)	(27,970,570)
	-	(1,034,722)
	(13,942,861)	(91,518,293)
	427,900,000	215,100,000
	(217,285,949)	(128,050,000)
	128,181,085	(64,295,373)
	216,459,980	(16,652,157)
	12,145,729	28,797,886
17	228,605,709	12,145,729

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.

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Chief Executive

Director

Chief Financial Officer

Sana Industries Limited

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2026

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

1.1 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.

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

Owned immovable property:

Usage	Location	Address	Area
Manufacturing facility	Lasbela	Hub Industrial Trading Estate, situated at Tehsil Hub, District Lasbela, Balochistan.	85,703 Square meter
Warehouse	Karachi	SF-96, S.I.T.E, Karachi.	11,250 Square feet

Leased office:

Usage	Location	Address	Area
Registered office	Karachi	33-D-2, Block 6, P.E.C.H.S, Karachi.	1,000 Square yard

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated 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:

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

Where the provisions of, directives and notifications issued, under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 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.

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2.4 Use of estimates and judgments

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

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

	<i>Note</i>
- Useful lives, residual values and depreciation method of property, plant and equipment	3.1
- Provision for expected credit losses	3.8.3
- Obligation of defined benefit obligation	3.12
- Current income tax expense, provision for prior year tax and recognition of deferred tax asset	3.13

2.5 Standards, interpretations and amendments to the approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2025. However, these do not have any significant impact on these unconsolidated financial statements.

2.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2026
IAS 21	The effects of changes in foreign exchange rates (Amendments)	January 1, 2027
IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments (Amendments)	January 1, 2026
IFRS 10	Consolidated Financial Statements (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts (Amendments)	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the unconsolidated financial statements other than in presentation / disclosures.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 20	Regulatory Assets and Regulatory Liabilities
IFRIC 12	Service Concession Arrangements

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3. MATERIAL ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

Operating assets - owned

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

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

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

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

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

Capital work in progress

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

3.2 Leases

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

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

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

(a) Right-of-use assets

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

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

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

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(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 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.

3.4 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.

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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

3.6 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

3.8.1 Initial recognition, classification and measurement

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

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

(a) Financial assets measured at amortized cost

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

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

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(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.

3.8.2 Subsequent measurement

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

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

3.8.3 Impairment

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

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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.

3.8.4 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.

3.9 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.

3.10 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.

3.11 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.

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3.12 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.

3.13 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.

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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.

3.14 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.

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3.15 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.

3.16 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.

3.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.18 Segment reporting

Segment results are reported to the Company's Chief Executive Officer (CEO), the chief operating decision maker, it includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.19 Dividend distribution

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

4.	PROPERTY, PLANT AND EQUIPMENT	Note	2026	2025
			Rupees	
	Operating fixed assets	4.1	1,039,158,964	1,000,731,282
	Capital work in progress	4.2	-	-
			<u>1,039,158,964</u>	<u>1,000,731,282</u>

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4.1 Operating fixed assets

	Landhold land	SF/96 premises	Building on freehold land	Electrification factory building	Office premises SF/96	Plant and machinery	Solar	Hoisting equipment	Furniture, fixtures and office equipment	Lab Equipment	Vehicle	Computer	Total
As at June 30, 2024													
Cost	5,282,619	5,000,000	139,863,133	39,938,697	12,819,637	1,222,741,398	-	10,572,848	16,510,458	311,395	63,091,388	2,913,599	1,620,081,362
Accumulated depreciation	-	-	(44,443,015)	(26,372,389)	(8,081,274)	(368,589,128)	-	(7,661,312)	(10,083,072)	(311,395)	(35,785,831)	(2,437,163)	(494,434,339)
Net book value	5,282,619	5,000,000	95,420,117	13,566,308	4,738,363	854,152,270	-	2,911,536	6,427,386	-	27,305,557	476,436	1,125,647,023
Movement during the year ended June 30, 2025													
Opening net book value	5,282,619	5,000,000	95,420,117	13,566,308	4,738,363	854,152,270	-	2,911,536	6,427,386	-	27,305,557	476,436	1,125,647,023
Additions	-	-	-	-	-	4,161,347	-	13,790	48,800	-	-	-	4,223,937
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	(9,886,511)	-	(137,333,820)	-	(9,787,616)	(429,943)	-	-	(35,880)	(147,483,772)
- Accumulated depreciation	-	-	-	(8,606,125)	-	(71,478,697)	-	(7,239,556)	(3,513,062)	-	-	(35,880)	(88,812,261)
- Net	-	-	-	(18,492,636)	-	(208,812,517)	-	(17,027,172)	(463,845)	-	-	(71,760)	(236,296,033)
Depreciation for the year	-	-	(3,097,081)	(2,724,253)	(75,212)	(66,180,691)	-	(246,390)	(1,151,110)	-	(7,255,399)	(247,472)	(69,428,177)
Closing net book value	5,282,619	5,000,000	92,323,136	10,842,055	4,738,363	787,971,579	-	2,925,326	5,276,276	-	20,050,158	228,964	1,056,218,846
As at June 30, 2025													
Cost	5,282,619	5,000,000	139,863,133	39,938,697	12,819,637	1,190,578,916	-	798,930	16,129,315	311,395	63,091,388	2,877,719	1,486,821,437
Accumulated depreciation	-	-	(47,540,096)	(19,468,376)	(8,086,496)	(342,295,422)	-	(597,246)	(11,694,239)	(311,395)	(35,201,230)	(2,648,755)	(446,080,157)
Net book value	5,282,619	5,000,000	92,323,136	20,470,321	4,738,363	848,283,494	-	201,684	4,435,076	-	29,890,158	228,964	1,040,741,280
Movement during the year ended June 30, 2026													
Opening net book value	5,282,619	5,000,000	92,323,136	18,631,810	4,738,363	848,283,494	-	201,684	4,435,076	-	29,890,158	228,964	1,040,741,280
Additions	-	-	-	510,000	-	1,207,089	-	689,869	-	-	1,275,000	-	4,381,958
Transfer From CWIP	-	-	-	-	-	95,275,744	-	-	-	-	-	-	95,275,744
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	(5,887,350)	-	-	-	-	-	-	(5,887,350)
- Accumulated depreciation	-	-	-	-	-	(947,630)	-	-	-	-	-	-	(947,630)
- Net	-	-	-	-	-	(6,834,980)	-	-	-	-	-	-	(6,834,980)
Writeoff	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	-	(4,384,720)	-	-	-	-	-	-	(4,384,720)
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
- Net	-	-	-	-	-	(4,384,720)	-	-	-	-	-	-	(4,384,720)
Depreciation for the year	-	-	(3,043,609)	(2,564,890)	(75,212)	(62,148,085)	-	(25,145)	(1,053,157)	-	(6,028,938)	(198,246)	(70,046,000)
Closing net book value	5,282,619	5,000,000	89,279,527	16,066,920	4,738,363	786,135,409	-	176,539	3,381,919	-	23,861,220	33,718	1,030,189,964
As at June 30, 2026													
Cost	5,282,619	5,000,000	139,863,133	39,938,697	12,819,637	1,186,598,655	-	798,930	16,784,864	311,395	63,666,588	2,877,719	1,589,861,489
Accumulated depreciation	-	-	(49,483,705)	(22,005,266)	(8,081,274)	(333,508,578)	-	(617,411)	(12,247,496)	(311,395)	(35,610,168)	(2,844,061)	(479,702,525)
Net book value	5,282,619	5,000,000	90,379,428	17,933,431	4,738,363	853,090,077	-	181,519	4,537,368	-	28,056,420	33,718	1,110,158,964
Annual rate of depreciation	35%	0%	0%	35%	28%	24%	0%	0%	0%	0%	20%	6%	
Residual Value in %													

- 4.1.1 The particulars of the Company's leasehold land and warehouse, including their location and covered area, have been disclosed in note 1.3 to these unconsolidated financial statements.

4.1.2	Depreciation for the year has been allocated as under :	Note	2026 — Rupees —	2025
	Cost of sales - Manufacturing expenses	29	42,504,751	41,787,188
	Cost of sales - Fuel and power	29.3	7,058,988	7,058,976
	Administration expenses	30	6,481,261	8,751,393
	Other income	33	-	2,830,560
			<u>56,045,000</u>	<u>60,428,117</u>

4.2 Capital work in progress

Opening balance at the beginning of year		-	-
Addition during the year		95,275,744	-
Transfer to operating fixed assets	4.2.1	<u>(95,275,744)</u>	<u>-</u>
		<u>-</u>	<u>-</u>

- 4.2.1 During the year ended June 30, 2026, the Company successfully commissioned a solar power plant at its manufacturing facility located at HITE. The solar plant is expected to contribute to the Company's future economic benefits through a reduction in electricity consumption from the grid and, consequently, a reduction in power and energy costs.

5.	RIGHT-OF-USE ASSET	Note	2026 — Rupees —	2025
	Opening book value		2,610,407	25,762,759
	Effect of modification		-	(19,111,162)
	Less: Depreciation for the year	30	<u>(1,305,204)</u>	<u>(4,041,190)</u>
			<u>1,305,203</u>	<u>2,610,407</u>
	Depreciation rate (per annum)		<u>33.3%</u>	<u>33.3%</u>

- 5.1 The terms and conditions of the lease contract is as follows:

Particular	Head Office (Karachi)
Lessor name	Mrs. Sabiha Younus and Mrs. Afshan Irfan
Address of the leased property	33-D-2, Block 6, P.E.C.H.S, Karachi.
Lease agreement date	July 01, 2024
Lease commencement date	July 01, 2024
Initial contractual term of the lease	11 Months
Availability of extension option?	Yes
No. of years for which the lease extension option is available	Indefinite
Estimated lease term (as on the date of commencement of the lease)	3 years

6. INVESTMENT IN SUBSIDIARIES - At cost

2026 —Number of Shares—	2025		Note	2026 — Rupees —	2025
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>

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6.1 Investment in Sana Logistics (Private) Limited

As at June 30, 2026, the Company held 3,500,000 (2025: 3,500,000) ordinary shares of M/s. Sana Logistics (Private) Limited (SLPL) which gives the Company 70% (2025: 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, 2026, the summarized financial information of M/s. Sana Logistics (Private) Limited is as under:

	2026	2025
	Rupees	
Current assets	147,449,013	259,461,055
Non-current assets	9,116,976	6,118,348
Current liabilities	61,929,108	155,747,232
Non-current liabilities	-	-
Revenue-net	33,002,337	154,997,430
Loss after tax for the year	(15,195,290)	(9,039,783)
Total comprehensive (loss) for the year	(15,195,290)	(9,039,783)

6.2 Investment in Sana Distributors (Private) Limited

As at June 30, 2026, the Company held 5,999,999 (2025: 5,999,999) ordinary shares of M/s. Sana Distributors (Private) Limited (SDPL) which gives the Company 99.99% (2025: 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.

		2026	2025
		Rupees	
7. LONG TERM ADVANCES, DEPOSITS AND PREPAYMENTS	<i>Note</i>		
Advance to supplier	45.3	57,300	35,500,000
Long term security deposits with:			
- Utility companies	7.1	60,236,221	83,519,021
- Banking companies	7.2 & 45.3	21,097,000	21,097,000
- Central Depository Company (CDC)		12,500	12,500
- Other		100,000	100,000
		81,445,721	104,728,521
Long term prepayments		40,000	40,000
		81,543,021	140,268,521
7.1 Utility deposits			
- Sui Southern Gas Company (SSGC)		41,063,271	81,063,271
- Lasbela Industrial Estate Development Authority		18,220,000	1,502,800
- Others		952,950	952,950
		60,236,221	83,519,021

7.2 This represents cash margin deposited with M/s. Habib Metro Bank Limited and M/s. Dubai Islamic Bank Limited amounting against issuance of Letter of Guarantee to Sui Southern Gas Company Limited and other beneficiaries on behalf of the Company. (Refer note 27.1.2)

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8. DEFERRED TAXATION - net

Deferred tax assets arising from:

- Minimum tax
- Provision for staff retirement benefits
- Provision for slow moving items
- Unused tax losses
- Gas infrastructure cess liability
- Sindh infrastructure cess liability
- Allowance for expected credit losses
- Lease liability - net
- Deferred government grant

Deferred tax liability arising from:

- Accelerated depreciation allowance
- Islamic Temporary Economic Refinance Facility

2026			
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)			
16,646,405	(16,646,405)	-	-
11,541,042	4,258,406	(10,692,400)	5,107,048
48,993	252,904	-	301,897
97,584,453	(1,019,632)	-	96,564,821
23,111,874	4,426,507	-	27,538,381
-	843,897	-	843,897
339,188	51,183	-	390,371
8,166,983	1,887,382	-	10,054,365
8,683,019	(3,420,249)	-	5,262,770
166,121,957	(9,366,007)	(10,692,400)	146,063,550
(140,713,832)	14,206,364	-	(126,507,468)
(10,838,373)	5,297,364	-	(5,541,009)
(151,552,205)	19,503,728	-	(132,048,477)
14,569,752	10,137,721	(10,692,400)	14,015,073

Deferred tax assets arising from:

- Minimum tax
- Provision for staff retirement benefits
- Provision for slow moving items
- Unused Tax losses
- Gas infrastructure cess liability
- Allowance for expected credit losses
- Lease liability - net
- Deferred government grant

Deferred tax liability arising from:

- Accelerated depreciation allowance
- Islamic Temporary Economic Refinance Facility

2025			
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)			
89,279,037	(72,632,632)	-	16,646,405
21,638,532	6,548,913	(16,646,403)	11,541,042
190,775	(141,782)	-	48,993
117,304,000	(19,719,547)	-	97,584,453
19,713,474	3,396,400	-	23,111,874
819,035	(479,847)	-	339,188
6,069,676	2,097,307	-	8,166,983
12,824,508	(4,141,489)	-	8,683,019
267,841,037	(85,072,677)	(16,646,403)	166,121,957
(172,211,436)	31,497,604	-	(140,713,832)
(16,046,837)	5,208,464	-	(10,838,373)
(188,258,273)	36,706,068	-	(151,552,205)
79,582,764	(48,366,699)	(16,645,403)	14,569,752

9.	STOCK IN TRADE	Note	2026	2025
			Rupees	
	Raw materials			
	- in hand		102,504,125	74,623,320
	- in transit		15,460,211	37,950,496
			<u>117,964,336</u>	<u>112,573,816</u>
	Packing materials		8,442,996	6,906,601
	Work in process		17,501,692	21,695,435
	Finished goods		85,590,733	72,043,681
	Waste materials		3,490,052	3,628,172
			<u>232,989,809</u>	<u>216,847,705</u>
10.	STORES AND SPARES			
	Stores and spares in hand		12,336,819	12,659,167
	Less: provision against slow moving items		(1,041,023)	(168,941)
			<u>11,295,796</u>	<u>12,490,226</u>
11.	TRADE DEBTS - Unsecured			
	Trade debts - gross		621,751,503	531,274,664
	Less: Provision for expected credit losses		(1,346,107)	(1,169,615)
			<u>620,405,396</u>	<u>530,105,049</u>
11.1	Movement in provision for expected credit losses			
	Balance at the beginning of the year		1,169,615	2,824,257
	Charge recognized during the year	32.	176,492	-
	Reversal	33.	-	(1,654,642)
	Balance at the end of the year		<u>1,346,107</u>	<u>1,169,615</u>
12.	LOANS AND ADVANCES			
	Loans to employees	12.1 & 45.3	3,176,256	4,504,141
	Advances:			
	- to contractors	45.3	1,915,885	20,054,937
	- to suppliers	45.3	12,838,507	9,713,702
	- against expenses	45.3	166,410	4,063,191
			<u>14,920,802</u>	<u>33,831,830</u>
			<u>18,097,058</u>	<u>38,335,971</u>
12.1	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.	DEPOSITS AND SHORT TERM PREPAYMENTS	Note	2026	2025
			Rupees	
	<i>Deposits</i>			
	- Sui Southern Gas Company against gas tariff	27.1.2	130,413,213	130,413,213
	- Others		801,409	5,509,087
			<u>131,214,622</u>	<u>135,922,300</u>
	<i>Prepayments</i>			
	- Insurance	45.3	1,305,758	986,003
			<u>132,520,380</u>	<u>136,908,303</u>

14.	SHORT TERM INVESTMENTS	Note	2026	2025
			Rupees	
	Investment in Habib Islamic Investment Certificate	14.1	1,705,555	1,705,555
	Investment in units of mutual funds	14.2	3,652,374	3,511,391
	Investment in Term Deposit Receipts (TDRs)		40,000,000	6,450,000
			<u>45,357,929</u>	<u>11,666,946</u>

**14.1 Investment in Habib Islamic Investment Certificate -
At amortized cost**

This represents an investment made by the Company in Habib Metro Islamic Investment Certificate which carries profit ranging from 8% to 12% p.a. (2025: 15.5% to 17.5% p.a.).

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

2026	2025		2026	2025
— (Number of units) —		Fund name	Cost	Fair value
				Rupees
4,848	4,556	Faysal Islamic Cash Fund	420,168	487,240
				346,487
31,390	30,427	Al Habib Islamic Saving Funds	3,200,747	3,165,134
				3,042,684
<u>36,148</u>	<u>34,983</u>		<u>3,620,915</u>	<u>3,511,391</u>

15.	OTHER RECEIVABLES	Note	2026	2025
			Rupees	
	<i>Receivable from:</i>			
	Lasbela Industrial Estate Development Authority	15.1	33,196,021	33,196,021
	Ovais Shamim Enterprises (Private) Limited	15.2	32,327,285	301,107,745
	Insurance claim receivable		16,155,210	-
	Lasbela Chamber of Commerce and Industry		1,000,000	1,000,000
	Sana Logistics (Private) Limited		-	70,468,000
	Shams yarn merchant	45.3	33,024,973	78,531
	Other		1,318,520	531,403
			<u>117,022,009</u>	<u>406,381,700</u>

- 15.1** 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.

- 15.2** During the year ended June 30, 2025, the Company entered into an agreement with M/s Owais Shamim SMC (Private) Limited for the sale of its idle fixed assets and investment property amounting to Rs. 98.098 million and Rs. 349.640 million, respectively.

Against the above transaction, an amount of Rs. 241.902 million was received during the financial year 2024-2025. During the year ended June 30, 2026, the Company further received Rs. 268.780 million, resulting in a balance receivable of Rs. 32.3 million as at June 30, 2026. The balance receivable is expected to be recovered in full by December 31, 2026.

16.	TAX REFUNDS DUE FROM GOVERNMENT	Note	2026	2025
			Rupees	
	Income tax refundable	16.1	46,118,948	46,666,161
	Sales tax refundable	16.2 & 45.3	39,786,831	13,064,739
			<u>85,905,779</u>	<u>59,730,900</u>

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16.1	Income tax refundable	Note	2026 Rupees	2025
	Opening balance		46,666,161	54,999,624
	Add: taxes deducted at source		22,070,608	32,623,806
			68,736,769	87,623,430
	Less: Tax charge (classified as a levy)	35	(22,617,821)	-
	Less: Tax charge (classified as current tax)	36	-	(40,957,269)
	Closing balance		46,118,948	46,666,161

16.1.1 The income tax assessments of the Company have been finalized up to, and including, the tax year 2025. 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.

16.2	Sales tax refundable	Note	2026 Rupees	2025
	Input sales tax:			
	- Un-adjusted credit carried forward		31,038,187	5,772,419
	- Credit to be claimed after declaration of corresponding output tax by vendors		1,456,324	-
	-Refundable		7,292,320	7,292,320
			39,786,831	13,064,739

17. CASH AND BANK BALANCES

Cash in hand		590,668	1,316,879
Cash at bank:			
- Current accounts		205,046,482	5,081,865
- Saving accounts	17.1	22,968,550	5,746,985
		228,015,041	10,828,850
		228,605,709	12,145,729

17.1 These carry profit at the average rate ranging between 6% to 10% (2025: 6% to 10%) per annum.

18. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2026 No. of shares	2025	Ordinary shares of Rs. 10/- each issued:	2026 Rupees	2025
6,406,250	6,406,250	- for cash	64,062,500	64,062,500
13,558,750	13,558,750	- as bonus shares	135,587,500	135,587,500
19,965,000	19,965,000		199,650,000	199,650,000

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

19.	LEASE LIABILITY	Note	2026 Rupees	2025
	Opening balance		30,772,417	46,692,677
	Payments made during the year		-	(1,034,722)
	Effect of modification		-	(19,111,162)
	Finance charges	34	5,203,011	4,225,624
			35,975,428	30,772,417
	Less: Current maturity shown under current liabilities	19.1	(35,975,428)	(19,772,249)
	Closing balance		-	11,000,168

19.1 This includes an amount of Rs. 24.109 million (2025: Rs. 15.5 million) which has become due.

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20.	LONG TERM FINANCING - Secured From a banking company	Note	2026	2025
			Rupces	
	Diminishing Musharaka	20.1	32,746,083	59,431,322
	Islamic Temporary Economic Refinance Facility (ITERF)	20.2	66,067,750	87,771,199
			<u>98,813,833</u>	<u>147,202,521</u>
20.1	Diminishing Musharaka			
	- Bank Al Habib Limited	20.1.1	39,053,951	52,154,290
	- First Habib Modaraba		-	138,122
	- Dubai Islami Bank Pakistan Limited	20.1.2	20,377,375	33,962,275
			59,431,326	86,254,687
	- Less: current maturity shown under current liabilities	26.	(26,685,243)	(26,823,365)
			<u>32,746,083</u>	<u>59,431,322</u>

20.1.1 Bank Al-Habib Limited

Diminishing Musharaka Financing was obtained under shariah arrangement to finance the purchase of machinery. The bank has approved a facility of (187.5 millions) BAH. Exposure over DM shall not be exceed Rs. 150 million or 80% of the cost of asset, whichever is less. The mark-up rate on the financing is 6 months KIBOR + 1.5% per annum (June 30, 2025: 6 months KIBOR + 1.5%).

The arrangement is secured against the following:

- Pari Passu charge over Stocks and receivables for Rs. 167.00 million inclusive of 25% margin.
- First exclusive hypothecation charge over machinery for Rs. 80 million to be registered with SECP. Initially, ranking charge will be created, which will be upgraded to 1st exclusive charge within 120 days from the date of disbursement of DM and;
- Equitable mortgage charge over land, building including plant and machinery of Rs. 551.328 million constructed on plot survey No. 54 located at Deh Gondpass at Tapo Gabopat, Kemari town, Karachi.
- Personal guarantee of directors covering aggregate exposure i.e. Mr. Muhammad Younus Nawab, Mr. Muhammad Irfan Nawab and Mr Muhammad Ibrahim Younus .

20.1.2 Dubai Islami Bank Pakistan Limited

Diminishing Musharaka Financing was obtained under shariah arrangement to finance the purchase of machinery. The bank has approved a facility of Rs. 29.34 million (2025: Rs. 39.623 million). The mark-up rate on the financing is 3 months KIBOR + 2% per annum (June 30, 2025: 3 months KIBOR + 2%).

The arrangement is secured against the following:

- First exclusive hypothecation charge over machinery for Rs. 80 million to be registered with SECP. Initially, ranking charge will be created, which will be upgraded to 1st exclusive charge within 120 days from the date of disbursement of DM and;
- Nil cash margin or as per SBP directives, whichever is higher.
- Personal guarantee of directors i.e. Mr. Muhammad Younus Nawab, Mr. Muhammad Irfan Nawab and Mr Muhammad Ibrahim Younus along with personal net worth statements.

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20.2	Financing under Islamic Temporary Economic Refinance Facility (ITERF)	Note	2026	2025
			Rupees	
	Balance at the beginning of the year		133,258,860	160,963,413
	Interest recognized on unwinding of the liability	34	26,571,456	23,797,521
	Repayments during the year		(49,971,429)	(51,502,074)
			109,858,887	133,258,860
	Less: Current portion shown under current liabilities	26	(43,791,137)	(45,487,661)
		20.2.1.1	66,067,750	87,771,199
20.2.1	ITERF Financing – Bank-wise			
	- M/s. Bank Al Habib Limited	20.2.1.1	25,143,748	32,045,248
	- M/s. Dubai Islamic Bank Limited	20.2.1.2	40,924,002	55,725,951
			66,067,750	87,771,199

20.2.1.1 The Company has obtained a long-term financing facility from M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 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 (2025: Rs. 100 million) and the drawn down amount is Rs. 99.99 million (2025: Rs. 99.99 million).

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

- (a) The applicable markup rate is 5% per annum (2025: 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;

20.2.1.2 The Company has obtained a long-term financing facility from M/s. Dubai Islamic Bank Limited (DIBL) under the SBP's scheme of Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 150 million and the drawn down amount is Rs. 150 million (2025: Rs. 150 million).

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

- (a) The applicable markup rate is 5% per annum (2025: 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.

20.2.3 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).

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		2026	2025
	Note	Rupees	
21. DEFERRED LIABILITIES			
Deferred government grant	21.1	9,076,871	18,147,487
Staff retirement benefits- defined benefit plan (gratuity)	21.2	17,610,512	39,796,695
Sindh Infrastructure Development Cess	21.3	2,396,461	-
Provision for Gas Infrastructure Development Cess	21.4	-	36,172,812
		<u>29,083,844</u>	<u>94,116,994</u>
21.1 Deferred government grant			
Opening balance		29,941,444	44,222,440
Less: Amortization of government grant for the year	34	(11,793,960)	(14,280,996)
		<u>18,147,484</u>	<u>29,941,444</u>
Less: Current maturity shown under current liabilities	26	(9,070,613)	(11,793,957)
		<u>9,076,871</u>	<u>18,147,487</u>

21.2 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, 2026 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:

		2026	2025
	Note	Rupees	
Present value of the defined benefit obligation	21.2.1	95,752,189	136,937,572
Fair value of the plan assets	21.2.2	(78,141,677)	(97,140,877)
		<u>17,610,512</u>	<u>39,796,695</u>
21.2.1 Movement in defined benefit obligation			
Opening defined benefit obligation		136,937,572	132,200,694
Current service cost		11,270,759	11,576,654
Interest cost		14,193,127	18,903,353
Benefits paid by the fund		(32,543,722)	(8,084,736)
Curtailment / settlement gain / loss		(1,277,616)	-
Remeasurement gain on obligation		(32,827,931)	(17,658,393)
Closing defined benefit obligation		<u>95,752,189</u>	<u>136,937,572</u>
21.2.2 Movement in the fair value of plan assets			
Balance at beginning of the year		97,140,877	57,585,067
Expected return on plan assets		9,502,109	7,897,548
Contribution		-	-
Benefits paid by the fund		(32,543,722)	(8,084,736)
Remeasurement gain on plan assets		4,042,413	39,742,998
Balance at end of the year		<u>78,141,677</u>	<u>97,140,877</u>

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21.2.3	Expense recognized in the statement of profit or loss	Note	2026	2025
			Rupees	
	Current service cost		11,270,759	11,576,654
	Net interest expense		4,691,018	11,005,805
	Curtailment / settlement gain / loss		(1,277,616)	-
			<u>14,684,161</u>	<u>22,582,459</u>
	<i>Allocation of the expenses:</i>			
	- Cost of sales	29	5,516,764	9,600,000
	- Administrative expenses	30	7,161,859	11,062,459
	- Distribution cost	31	2,005,538	1,920,000
			<u>14,684,161</u>	<u>22,582,459</u>
21.2.4	Remeasurement gain recognised in other comprehensive income			
	<i>Remeasurement of the present value of defined benefit obligation</i>			
	- Financial assumptions		12,589,464	8,121,035
	- Demographic assumptions		-	(6,725)
	- Experience adjustments		20,238,467	9,544,083
			<u>32,827,931</u>	<u>17,658,393</u>
	<i>Remeasurement of the fair value of plan assets</i>			
	- Financial assumptions		4,042,413	39,742,998
			<u>36,870,344</u>	<u>57,401,391</u>
21.2.5	Sensitivity analysis			

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

Impact on defined benefit obligation			
June 30, 2026	Change in assumption	Increase	Decrease
		Rupees	
Discount rate	1%	92,637,514	92,637,514
Expected rate of salary increase	1%	99,000,255	92,789,887
Mortality age	1 year	95,743,084	95,761,250
Withdrawal rates	10%	95,901,234	95,591,850

Impact on defined benefit obligation			
June 30, 2025	Change in assumption	Increase	Decrease
		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

21.2.6	Principal assumptions used	2026	2025
	Withdrawal rates	High	High
	Mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Expected rate of increase in future salary (per annum)	10.00%	6.75%
	Discount rate - per annum	11.75%	11.75%
	Expected rate of return on plan assets	11.75%	11.75%
	Normal retirement age	60 years	60 years

21.2.7	Composition of plan assets	2026	2025
		Rupees	
	Equity securities and units of mutual funds	71,861,955	94,270,664
	Bank balances	5,084,342	1,674,833
	Investment Certificate	1,195,380	1,195,380
		<u>78,141,677</u>	<u>97,140,877</u>

21.2.8 The duration as at valuation date works out to 3.44 years (2025: 3.37 years).

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21.3	Sindh Infrastructure Development Cess	Note	2026	2025
			Rupees	
	Opening balance		-	-
	Recognized during the year		3,423,517	-
	Payment made during the year		(513,528)	-
	Closing balance		2,909,989	-
	Current maturity shown under current liabilities	26	(513,528)	-
		21.3.1	2,396,461	-

- 21.3.1 The Government of Sindh introduced the Infrastructure Cess in 1994 for the development and maintenance of infrastructure in the Province of Sindh. The cess was levied at prescribed rates on the value of goods entering or leaving Sindh through Karachi by road or rail. The levy was subsequently re-enacted under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017

During the year, the Company entered into a settlement agreement dated April 23, 2026 with the Government of Sindh pursuant to the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026, whereby the Company's liability in respect of the Sindh Development and Maintenance of Infrastructure Cess was admitted and settled at Rs. 3,423 million. Accordingly, the settled amount has been recognised in the financial statements for the year ended June 30, 2026.

21.4	Gas Infrastructure Development Cess liability	Note	2026	2025
			Rupees	
	Opening balance		79,696,116	67,984,393
	Unwinding of GIDC liability	34	15,263,820	11,711,723
			94,959,936	79,696,116
	Less: current maturity shown under current liabilities	26	(94,959,936)	(43,523,304)
			-	36,172,812

21.4.1 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 (2025: Rs. 95 million) and remaining amount of Rs. 61.5 million (2025: Rs. 61.5 million) has not been acknowledged as debt. (refer note 27.1.1).

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22.	SHORT TERM BORROWINGS - Secured	Note	2026	2025
			Rupees	
	<i>Istisna financing:</i>			
	Habib Metropolitan Bank Limited	22.1	159,281,302	227,511,686
	Habib Bank Limited	22.2	145,897,410	181,173,741
	United Bank Limited	22.3	199,963,423	-
	Bank Al Habib Limited	22.4	15,314,923	20,505,304
			520,457,058	429,190,731
	<i>Murabaha financing:</i>			
	Bank Al Habib Limited		-	103,934,337
	<i>Wakala Financing:</i>			
	Dubai Islamic Bank Limited	22.5	188,478,053	189,752,904
			<u>708,935,111</u>	<u>722,877,972</u>

- 22.1 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 170 million (2025: Rs. 248 million) as a sub-limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2025: 6 months KIBOR + 3%). The maximum tenor of the Istisna Financing is 120 days (2025: 120 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 pari passu charge of Rs. 550 M over fixed assets [charge on land & building Rs. 340 M + charge on P&M of Rs. 210 M] with 40% margin; and
- Equitable mortgage over industrial property having market value of Rs. 4,419 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.

- 22.2 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 150 million (2025: Rs. 200 million) . The mark-up rate on the financing is 6 months KIBOR + 1.5% per annum (2025 : 6 months KIBOR + 1.5% per annum). The maximum tenor of the Istisna Financing is 180 days (2025: 180 days).

The arrangement is secured against the following:

- 1st pari passu charge of Rs. 267 million over Stocks & receivables of the company with 25% Margin.;
- 1st Pari Passu charge of Rs.178 million over factory land & building and PP charge of Rs.89 million over plant & machinery located at Plot No. B-183-188 & 197-199, Private khasra # 760, 761,767 & 770, Hub Industrial Estate Lasbella, Baluchistan HITE, owned by Sana Industries Limited, having Market value Rs. 2,149 million (Land & Bldg of Rs. 1,123 million & P&M of Rs. 1,026 million) and total FSV is Rs. 1,617 million 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.

- 22.3 Short term Istisna Financing was obtained under shariah arrangement to import raw materials i.e. polyester and fiber./ working capital lines. The bank has approved a facility of Rs. 300 million. The financing is priced at the TDR rate plus 0.85% per annum. The maximum tenor of the Istisna Financing is 180 days.

- 100% Cash margin in shape of lien over account /deposits /TDR;
- Personal Guarantees of Mr. Hafiz Mohammad Yunus Nawab, Mr. Mohammad Irfan Nawab, and Mr. Ibrahim Yunus;

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- Sub-ordination of Director's Loan favoring Bank; and
- Corporate guarantee of M/s Sana Distributors (Private) Limited.

22.4 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 (2025 : Rs. 50 million). The mark-up rate on the financing is 6 months KIBOR + 1.75% per annum (2025: 6 months KIBOR + 1.75% per annum). The maximum tenor of the Istisna Financing is 120 days (2025: 120 days).

The arrangement is secured against the following:

- Equitable mortgage charge registered over land, building and plant and machinery amounting to Rs. 551.32 million (2025: Rs. 551 million);
- pari passu charge registered over stocks / receivables amounting to Rs. 167 million with a 25% margin (2025: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

22.5 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 (2025: Rs. 190 million). The markup rate on the facility is matching KIBOR + 1.75% per annum (2025: matching KIBOR + 1.75% per annum). The maximum tenor is 180 days (2025: 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;
- 1st pari passu charge over Land and Building of the company with 25% margin amounting 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.

22.6 As at June 30, 2026, the Company had unavailed short term financing facilities amounting to Rs. 151.064 million (2025: Rs. 40.122 million).

23.	TRADE AND OTHER PAYABLES	Note	2026	2025
			Rupees	
	Creditors	45.3	116,345,009	131,636,043
	Accrued expenses		146,685,187	151,422,521
	Advance from customers	23.1	75,804,784	200,192,582
	Provision for gas tariff difference	23.2	51,505,591	51,505,591
	Withholding Income tax payable		32,237,788	21,213,770
	Sana Logistics (Private) Limited		10,887,000	2,000,000
	Sana Distributors (Private) Limited		-	20,472,626
	Sales tax payable	45.3	12,089,499	5,449,239
	Workers' Profits Participation Fund payable	23.3	2,563,374	12,355,992
	Workers' Welfare Fund payable	23.4	1,570,893	596,811
	Others		750,000	907,000
			<u>450,439,125</u>	<u>597,752,175</u>

23.1 During the year, the performance obligations underlying the opening contract liability of Rs. 200.19 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 75.804 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

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		2026	2025
		Rupees	
23.2	Provision for gas tariff difference	Note	
	Provision under Suit 129 of 2017	23.2.1	<u>51,505,591</u> <u>51,505,591</u>
23.2.1	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, 2026, amounted to Rs. 51.506 million (2025: 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. 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 Company duly received the post dated cheques as per Court orders, however, the Federation and other parties then challenged this decision before the Honourable Supreme Court of Pakistan through C.P.L.A No. 1017 of 2025, which has been transferred out to Federal Constitutional Court that remains pending as of the reporting date. In this regard, the reversal of provision is not made as of matter of prudence.		
23.3	Workers' Profit Participation Fund payable	Note	
		2026	2025
		Rupees	
	Opening balance	12,355,992	12,355,992
	Charge for the year	2,563,374	-
	Write off of liability	(12,247,633)	-
	Less: payments during the year	(108,359)	-
		<u>2,563,374</u>	<u>12,355,992</u>
23.4	Workers' Welfare Fund payable		
	Opening balance	596,811	3,596,811
	Charge for the year	974,082	-
	Less: payments during the year	-	(3,000,000)
		<u>1,570,893</u>	<u>596,811</u>
24.	LOAN FROM DIRECTORS - unsecured		
	Loan from directors	24.1	<u>317,164,051</u> <u>106,550,000</u>
24.1	These represent short-term interest-free borrowings from directors to meet working capital requirements of the Company. The loans are repayable on demand.		
25.	ACCRUED MARKUP	Note	
		2026	2025
		Rupees	
	Markup accrued on:		
	-Short term borrowings	18,301,335	22,532,471
	-Long term financing- Diminishing Musharaka	-	298,581
		<u>18,301,335</u>	<u>22,831,052</u>
26.	CURRENT MATURITY OF LONG TERM LIABILITIES		
	Current maturity of lease liabilities	19.	35,975,428 19,772,249
	Current portion of Diminishing Musharaka	20.1	26,685,243 26,823,365
	Current portion of ITERF	20.2	43,791,137 45,487,661
	Current maturity of deferred government grant	21.1	9,070,613 11,793,957
	Current maturity of Sindh Infrastructure Development Cess	21.3	513,528 -
	Current maturity of Gas Infrastructure Development Cess	21.4	94,959,936 43,523,304
		<u>210,995,885</u>	<u>147,400,536</u>

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27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 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 21.4.1, and Rs. 156.5 million as notified to the Company through monthly gas bills upto July 2020).

27.1.2 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.

These cases have been transferred to the Court of the Senior Civil Judge Karachi and have been assigned new case numbers 7219/2025 and 5046/2025, respectively.

27.1.3 The Off the Grid (Captive Power Plants) Levy Ordinance, 2025 was promulgated by the President on 31 January 2025 and subsequently approved by Parliament on 31 May 2025. Under the Ordinance/Act, captive power plants are required to pay a levy to the Federal Government on the consumption of natural gas or RLNG at the rate prescribed under Section 4, as notified by the Federal Government from time to time.

The Off the Grid (Captive Power Plants) Levy Ordinance, 2025 was promulgated by the President on 31 January 2025 and subsequently approved by Parliament on 31 May 2025. Under the Ordinance/Act, captive power plants are required to pay a levy to the Federal Government on the consumption of natural gas or RLNG at the rate prescribed under Section 4, as notified by the Federal Government from time to time.

The Company, along with other affected parties, filed Constitutional Petition No. 1802 of 2025 before the Honourable Sindh High Court, Karachi, on 6 May 2025, challenging the retrospective application of the levy. Pursuant to the interim order dated 6 May 2025, the Company secured the amount demanded for February 2025 by furnishing a bank guarantee of Rs. 9,857,627, equivalent to the levy at Rs. 791 per MMBTU.

During the year, the Honourable Sindh High Court held that the bills issued by SSGC for recovery of the levy retrospectively for periods prior to 7 March 2025 were ultra vires Sections 3 and 4 of the Ordinance/Act. The Court further directed that any amount already collected by SSGC in this respect be credited in the subsequent bill, while amounts deposited or secured with the Nazir of the Court be returned to the respective petitioners.

During the year, SSGC filed an appeal F.C.P.L.A 850/2026 against the decision of the Honourable Sindh High Court before the Federal Constitutional Court. As at the reporting date, the appeal remains pending adjudication.

27.1.4 The Company challenged the Off-the-Grid (Captive Power Plants) Levy before the Honourable High Court of Baluchistan, stating that the levy imposes a financial burden on captive power plants due to the inadequate and unreliable supply of grid electricity in the LEIDA Industrial Zone, Baluchistan. During the year, The Honourable High Court initially granted interim relief, subject to submission of post-dated cheques equivalent to the levy amount. Subsequently, the petition was dismissed on the grounds of lack of territorial jurisdiction under Article 199 of the Constitution of Pakistan, without adjudication on the merits of the Company's challenge. Accordingly, the matter remains unresolved on its substantive merits.

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Furthermore, the Company, along with other affected parties, challenged the Off-the-Grid (Captive Power Plants) Levy before the Honourable Islamabad High Court by filing Writ Petition No. 871/2026, seeking, inter alia, a declaration that the Off-the-Grid Levy is ultra vires the Constitution of Pakistan. The petition also challenged the notification of levy rates issued for the period from September 2025 to January 23, 2026, in respect of the period from April 2024 to September 2025, and sought an order restraining the respondents from recovering the impugned levy, including the levy reflected in the November 2025 bills issued to the Company. The Company also sought an order restraining Sui Southern Gas Company Limited (SSGC) from recovering the said levy pending adjudication of the petition.

As at the reporting date, the Company has not recognised any provision in respect of the Off-the-Grid Levy. However, the Company has been charged an amount of Rs. 70.6 million by SSGC in respect of the levy for the period from April 2025 to January 2026, which has been disclosed as a contingent liability in these financial statements. The matter remains subject to the outcome of the ongoing legal proceedings.

- 27.1.5** The Employees' Old-Age Benefits Institution ("EOBI"), vide notice dated 29 January 2024 (Ref. No. 6900/A/2024/071126), raised a demand of Rs. 7,811,547 against the Company for alleged unpaid old-age benefit contributions for the period from July 2013 to June 2023. The demand comprises principal contributions of Rs. 5,207,698 (employer's share: Rs. 4,338,858 and employees' share: Rs. 868,840) and a statutory increase of Rs. 2,603,849 under Section 13 read with Contribution Rule 4 of the Employees' Old-Age Benefits Act, 1976. Subsequently, a Demand Notice, Certificate of Dues and Show Cause Notice were issued for recovery of the amount as arrears of land revenue.

The Company, along with other companies, has challenged the aforesaid proceedings before the Hon'ble High Court of Baluchistan at Quetta through Constitutional Petition No. 439 of 2024, principally on the grounds that the demand was raised without the inquiry required under Section 9(2) of the EOBI Act, 1976 and without lawful authority for determination and recovery of the contributions. Vide order dated 23 April 2024, the Hon'ble High Court admitted the petition and suspended the operation of the impugned Demand Notices until the next date of hearing. The petition remains pending as at the reporting date and, according to the Company's legal counsel, the outcome cannot presently be determined.

27.2	Commitments	Note	2026	2025
			Rupees	
	Irrevocable letters of credit issued in respect of purchase of raw materials and store		<u>120,799,710</u>	-
	Revolving letter of guarantee issued by commercial banks in favour of Sui Southern Gas Company Ltd.	27.2.1	<u>84,497,000</u>	<u>64,497,000</u>
	Off the Grid (Captive Power Plants) Levy	27.2.2	<u>-</u>	<u>9,857,630</u>
27.2.1	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.			
27.2.2	This represents Bank Guarantee against off the grid levy in favour of Sui Southern Gas Company Limited.			
28.	REVENUE - net	Note	2026	2025
			Rupees	
	Local sales - yarn	28.1	<u>1,605,484,841</u>	<u>2,187,523,654</u>
	Wastage sales	28.2	<u>6,545,050</u>	<u>10,187,139</u>
	Raw material sales	28.3	<u>14,570,472</u>	<u>60,034,085</u>
	Yarn processing services	28.4	<u>175,825,635</u>	<u>158,548,600</u>
			<u>1,802,425,998</u>	<u>2,416,293,478</u>
28.1	Local sales - yarn			
	Local sales revenue - gross		<u>1,894,666,812</u>	<u>2,588,777,728</u>
	Less: Sales return		-	<u>(5,440,331)</u>
	Less: Commission and discounts		<u>(134,504)</u>	<u>(1,632,273)</u>
			<u>1,894,532,318</u>	<u>2,581,705,124</u>
	Less: Sales tax		<u>(289,047,477)</u>	<u>(394,181,470)</u>
			<u>1,605,484,841</u>	<u>2,187,523,654</u>

			2026	2025
			Rupees	
28.2	Wastage sales	Note		
	Wastage sales - gross		7,958,120	12,428,309
	Less: Sales tax		(1,413,070)	(2,241,170)
			<u>6,545,050</u>	<u>10,187,139</u>
28.3	Raw material sales			
	Raw material sales - gross		17,193,156	70,840,220
	Less: Sales tax		(2,622,684)	(10,806,135)
			<u>14,570,472</u>	<u>60,034,085</u>
28.4	Yarn processing services			
	Yarn processing services - gross		212,274,250	187,087,348
	Less: Sales tax		(36,448,615)	(28,538,748)
			<u>175,825,635</u>	<u>158,548,600</u>
29.	COST OF SALES			
	Raw and packing materials consumed	29.1	1,197,354,823	1,622,827,648
	Manufacturing expenses			
	Salaries, wages and benefits	29.2	147,654,951	177,143,223
	Fuel and power	29.3	124,719,668	256,797,384
	Depreciation on operating fixed assets	4.1.2	42,504,751	41,787,188
	Stores and spares consumed		24,414,328	58,242,727
	Vehicle repairs and maintenance		5,979,566	6,961,352
	Insurance		5,059,500	4,542,619
	Water expenses		4,876,680	8,812,181
	Repairs and maintenance		4,499,328	3,363,625
	Loading and unloading expenses		4,483,891	4,758,767
	Entertainment expenses		1,351,970	1,892,078
	Security expenses		1,320,980	287,412
	Rent, rates and taxes		796,874	350,000
	Services procured		-	640,000
	Other manufacturing expenses		5,148,550	2,468,660
			<u>372,811,037</u>	<u>568,047,216</u>
	Work-in-process - opening stock		21,695,435	27,929,539
	Work-in-process - closing stock	9	(17,501,692)	(21,695,435)
			<u>4,193,743</u>	<u>6,234,104</u>
			<u>1,574,359,603</u>	<u>2,197,108,968</u>
	Cost of goods manufactured			
	Finished goods - opening stock		72,043,681	87,065,991
	Waste material- opening stock		3,628,172	4,433,200
	Finished goods - closing stock	9 & 29.4	(96,176,654)	(72,043,681)
	Waste material- closing stock	9	(3,490,052)	(3,628,172)
			<u>(23,994,853)</u>	<u>15,827,338</u>
			<u>1,550,364,750</u>	<u>2,212,936,306</u>
29.1	Raw and packing materials consumed			
	Opening stock		81,529,920	77,150,516
	Add: Purchases during the period		<u>1,226,772,024</u>	<u>1,627,207,052</u>
			1,308,301,944	1,704,357,568
	Less : Closing stock		(110,947,121)	(81,529,920)
			<u>1,197,354,823</u>	<u>1,622,827,648</u>
29.2	This includes an amount of Rs. 5.5 million (2025:Rs. 9.6 million) in respect of staff retirement benefits.			

29.3	Fuel and power- generation costs	Note	2026 Rupees	2025
	Gas expenses		52,483,621	192,901,866
	Electricity		40,393,446	39,152,447
	Generator operation and maintenance		20,450,832	15,392,711
	Depreciation on operating fixed assets	4.1.2	7,058,988	7,058,976
	Repairs and maintenance		3,867,450	1,693,500
	Insurance		375,418	397,334
	Electricity duty		89,913	200,550
			<u>124,719,668</u>	<u>256,797,384</u>

29.4 As at the reporting date, an impairment loss of Rs. 10 million has been recognised against finished goods inventory affected by the fire incident.

30.	ADMINISTRATIVE EXPENSES	Note	2026 Rupees	2025
	Salaries, wages and other benefits	30.1	25,460,994	33,297,797
	Directors' remuneration	30.2 & 38	26,558,946	32,098,459
	Depreciation on operating fixed assets	4.1.2	6,481,261	8,751,393
	Legal and professional charges		6,969,691	636,120
	Repairs and maintenance		5,430,417	4,982,690
	Fees and subscription		4,401,510	2,468,134
	Insurance		1,776,221	2,042,130
	Depreciation on right-of-use assets	5	1,305,204	4,041,190
	Auditors' remuneration	30.3	1,272,000	1,496,000
	Entertainment expenses		1,271,382	1,932,187
	Printing and stationery		1,162,730	667,860
	Electricity and gas		610,787	1,277,488
	Security expenses		457,378	388,376
	Meeting fee	38	260,000	260,000
	Rent, rates and taxes		326,001	1,364,000
	Travelling and conveyance		229,263	143,760
	Miscellaneous		332,790	3,284,144
			<u>84,306,575</u>	<u>99,131,728</u>

30.1 This includes an amount of Rs. 4.9 million (2025:Rs. 9.84 million) in respect of staff retirement benefits.

30.2 This includes an amount of Rs. 2.2 million (2025:Rs. 1.22 million) in respect of staff retirement benefits.

30.3	Auditors' remuneration	Note	2026 Rupees	2025
	Audit fee (including audit of consolidated financial statements)		800,000	1,031,050
	Half yearly review fee		350,000	350,000
	Statutory certifications		92,000	84,700
	Out-of-pocket expenses		30,000	30,250
			<u>1,272,000</u>	<u>1,496,000</u>

31. DISTRIBUTION EXPENSES

	Packing and forwarding expenses		21,985,893	24,822,349
	Salaries, wages and benefits	31.1	10,398,184	11,192,015
	Communication		794,876	730,931
	Sales promotion expenses		505,664	815,028
	Miscellaneous expense		451,498	283,320
			<u>34,136,115</u>	<u>37,843,643</u>

31.1 This includes an amount of Rs. 2 million (2025:Rs. 1.92 million) in respect of staff retirement benefits.

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		2026	2025
		Rupees	
32. OTHER OPERATING EXPENSES	<i>Note</i>		
Impairment of assets due to fire	32.1	15,530,641	-
Provision for expected credit losses	11.1	176,492	-
Provision against slow moving store items	10	872,082	-
		<u>16,579,215</u>	<u>-</u>
32.1 Impairment of assets due to fire			
Stock-in trade (Yarn)		10,585,921	-
Plant and machinery		4,944,720	-
		<u>15,530,641</u>	<u>-</u>
33. OTHER INCOME			
Rental income		30,000,000	37,180,000
<i>Less: Related expenses</i>			
Depreciation on property, plant and equipment	4.1.2	-	(2,830,560)
Depreciation on investment property		-	(2,291,040)
Insurance		-	(945,289)
		-	(6,066,889)
		<u>30,000,000</u>	<u>31,113,111</u>
Return on deposits - Islamic bank		980,121	1,177,669
Profit on Habib Islamic Investment Certificate		112,287	-
Profit on Term Deposit Receipts (TDRs)		3,234,842	103,251
		<u>4,327,250</u>	<u>1,280,920</u>
Gain on sale of operating fixed assets		415,000	22,433,610
Gain on sale of investment property		-	266,342,550
Liability of WPPF written back	23.3	12,247,633	-
Unrealized gain on short term investment		31,459	306,516
Reversal of provision for slow moving store items		-	488,904
Reversal of provision for expected credit losses	11.1	-	1,654,642
Insurance claim	33.1	16,155,210	3,675,835
Dividend income		295,105	-
Others		102,706	56,200
		<u>63,574,363</u>	<u>327,352,288</u>
33.1	This represents the insurance claim in respect of losses arising from damage to plant and machinery and finished goods (yarn) due to a fire incident at the Company's factory. The Company has lodged the claim with the insurance company for recovery of the related losses. Based on the current status of the claim, the Company expects recovery of the related amount.		
34. FINANCE COSTS	<i>Note</i>	2026	2025
		Rupees	
Markup and interest charges on:			
- Long term financing		9,015,207	18,020,996
- Short term borrowings		83,829,872	148,089,642
- Lease liability	19	5,203,011	4,225,624
Financing under ITERF facility	20.2	26,571,456	23,797,521
Amortization of related deferred government grant		(11,793,960)	(14,280,996)
		<u>14,777,496</u>	<u>9,516,525</u>
Bank charges		796,981	825,390
Unwinding of GID cess liability	21.4	15,263,820	11,711,723
Guarantee commission		459,837	586,946
		<u>129,346,224</u>	<u>192,976,846</u>

35.	LEVIES	Note	2026	2025
			Rupees	
	Minimum tax under normal tax regime		22,530,325	-
	Income tax under final tax regime		87,496	-
			22,617,821	-
	Workers' Profit Participation Fund	23.3	2,563,374	-
	Workers' welfare fund	23.4	974,082	-
			3,537,456	-
			26,155,277	-
36. TAXATION				
	Current		-	39,990,848
	Prior		-	966,421
			-	40,957,269
	Deferred		(10,137,721)	48,366,609
			(10,137,721)	89,323,878
36.1 Relationship between tax expense and accounting profit before taxation				
	Profit before levies and taxation		51,267,482	200,757,243
	Tax at the applicable rate of 29%		14,867,570	58,219,600
	<i>Tax effect of:</i>			
	- excess of minimum tax over corporate tax			(35,847,105)
	- tax effects on admissible / inadmissible adjustment		183,685	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
	- item classified as levy		(22,530,325)	-
	- Others		(2,658,650)	(492,478)
			(10,137,721)	89,323,878
37. EARNING PER SHARE - BASIC AND DILUTED				
37.1 Basic earnings per share				
	Profit after taxation		35,249,926	111,433,365
			Number of shares	
	Weighted average number of ordinary shares outstanding during the year		19,965,000	19,965,000
			Rupees	
	Earnings per share - basic		1.77	5.58
37.2 Diluted earning per share				

There is no dilutive effect on the basic earning per share of the Company, since there were no potential shares in issue as at June 30, 2026 and June 30, 2025.

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38. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees							
Basic salary	13,098,908	13,708,200	6,545,460	6,975,720	13,805,071	12,216,789	33,441,439	32,963,700
House rent allowance	-	5,319,600	-	2,708,160	5,357,192	4,740,840	5,357,192	12,768,600
Retirement benefits	3,696,405	810,063	1,262,541	412,396	4,026,257	1,570,291	8,985,203	2,792,750
Utilities	-	1,432,300	-	729,120	1,442,321	1,276,380	1,442,321	3,437,700
Medical allowance	1,369,092	-	654,540	-	-	-	1,963,632	-
Bonus	-	-	-	-	1,827,826	1,219,500	1,827,826	1,219,500
Meeting Fee	-	-	260,000	260,000	-	-	260,000	260,000
	18,096,405	21,270,063	8,722,541	11,088,396	26,458,667	21,023,791	53,277,613	53,382,250
Number of persons	1	1	3	3	5	5		

38.1 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.

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	2026	2025
	Number	
Number of spindles installed	39,588	39,588
Number of spindles operated	39,588	39,588
Installed capacity in kgs. after conversion into 30 single count	8,596,930	8,476,187
Actual production of yarn in kgs. after conversion into 30 single count	3,704,910	4,726,276
Number of shifts worked per day	3	3

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

40. FINANCIAL INSTRUMENTS

40.1 Financial risk analysis

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

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

40.1.1 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:

		2026	2025
		Rupees	
Long-term deposits		81,445,721	104,728,521
Trade debts	(a)	620,405,396	530,105,049
Short term loan to employees		3,176,256	4,504,141
Short term deposits		801,409	5,509,087
Short term investments		45,357,929	11,666,946
Other receivables		82,825,988	372,185,679
Bank balances	(b)	228,015,041	10,828,850
		<u>1,062,027,740</u>	<u>1,039,528,273</u>

Note (a) - Credit risk exposure on trade debts

	30-Jun-26		30-Jun-25	
	Gross carrying amount	Life time expected credit losses	Gross carrying amount	Life time expected credit losses
	Rupees			
Not past due	459,122,017	-	502,317,372	-
Past due 1 day - 30 days	39,800,910	-	12,178,460	-
Past due 31 days - 60 days	3,357,107	29,407	3,326,825	-
Past due 61 days - 90 days	1,338,280	1,470	762,963	26,232
Past due 91 days - 180 days	42,694,172	366,385	249,001	4,232
Above 180 days	75,439,017	948,845	12,440,043	1,139,151
	<u>621,751,503</u>	<u>1,346,107</u>	<u>531,274,664</u>	<u>1,169,615</u>

Based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors considered good do not require any impairment. Further, substantial amount of debtors have been collected post year end, therefore, expected credit loss has not been considered.

Note 'b' - Credit risk management of bank balances

	Rating agency	Short-term Rating	2026	2025
			Rupees	
United Bank Limited	JCR-VIS	A-1+	200,743,310	34,334
Meezan Bank Limited	JCR-VIS	A-1+	18,282,803	3,244,137
Habib Metropolitan Bank Limited	PACRA	A-1+	4,498,650	4,049,762
Faysal Bank Limited	JCR-VIS	A-1+	1,421,852	4,828
Bank Alfalah Limited	PACRA	A-1+	885,799	640,958
Dubai Islamic Bank Limited	JCR-VIS	A-1+	658,027	942,375
Bank Al-Habib Limited	PACRA	A-1+	429,853	1,433,280
National Bank of Pakistan	JCR-VIS	A-1+	415,714	6,631
Habib Bank Limited	JCR-VIS	A-1+	403,325	196,837
Al-Baraka Bank Limited	JCR-VIS	A-1	200,000	200,000
J.S Bank Limited	PACRA	A-1+	75,708	75,708
<i>Concentration of credit risk</i>			<u>228,015,041</u>	<u>10,828,850</u>

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:

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	30-Jun-26			30-Jun-25		
	Total exposure	Concentration	% of total exposure	Total exposure	Concentration	% of total exposure
	Rupees					
Long term deposit	81,445,721	81,333,221	100%	104,728,521	104,616,021	100%
Trade debts - unsecured	620,405,396	346,469,427	56%	530,105,049	459,737,449	87%
Short term deposits	801,409	773,409	97%	5,509,087	4,928,815	89%
Loans and advances	18,097,058	14,143,507	78%	38,335,971	29,768,839	78%
Other receivables	117,022,009	98,548,279	84%	406,381,700	371,575,745	91%

40.1.2 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, 2026						
	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
	Amount in Rs.						
Lease liability	35,975,425	33,631,163	24,099,673	735,100	1,476,200	7,307,190	-
Long term financing including accrued markup	169,290,213	198,235,121	-	6,303,921	12,398,228	35,313,512	124,214,469
Short term borrowings including accrued markup	727,236,446	743,892,776	163,19,787	21,868,266	448,799,933	265,104,790	-
Trade and other payables	274,667,196	274,667,196	-	-	-	274,667,196	-
Loan from directors and sponsors	317,164,051	317,164,051	317,164,051	-	-	-	-
	1,524,333,334	1,567,590,307	357,393,511	28,915,287	454,674,361	602,392,688	124,214,469

	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
	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	200,668,569
Short term borrowings including accrued markup	745,410,443	772,598,641	-	133,896,630	415,138,398	221,562,595	-
Trade and other payables	306,438,190	306,438,190	-	-	-	306,438,190	-
Loan from directors and sponsors	106,550,000	276,902,679	276,902,679	-	-	-	-
	1,408,983,178	1,666,473,354	292,356,452	141,190,527	429,225,921	591,518,345	210,182,059

40.1.3 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).

Fair value sensitivity analysis for fixed rate instruments

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.

Sensitivity analysis for variable rate instruments

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

	2026	2025	2026	2025
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - Saving account	6%-10%	6%-10%	<u>22,968,559</u>	<u>5,746,985</u>
Term deposit receipt	6%-10%	6%-10%	<u>40,000,000</u>	<u>6,450,000</u>
Investment in Habib Islamic Investment Certificate	8%-12%	15.5%-17.5%	<u>1,705,555</u>	<u>1,705,555</u>
Financial liabilities				
Short term borrowings	8.85%-15.31%	11.13%-20.89%	<u>708,935,111</u>	<u>722,877,972</u>

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, 2026		
Cash flow sensitivity-Variable rate financial instrument	<u>(6,442,610)</u>	<u>6,442,610</u>
As at June 30, 2025		
Cash flow sensitivity-Variable rate financial liabilities	<u>(7,089,754)</u>	<u>7,089,754</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.

	June 30, 2026		
	At fair	At	Total
	value through	Amortized	
Financial assets	profit or loss	cost	
	Rupees		
Long term deposits	-	81,445,721	81,445,721
Trade debts - unsecured	-	620,405,396	620,405,396
Short term loan to employees	-	3,176,256	3,176,256
Short term trade deposits	-	801,409	801,409
Short term investments	3,652,374	41,705,555	45,357,929
Other receivables	-	82,825,988	82,825,988
Cash and bank balances	-	228,605,709	228,605,709
	<u>3,652,374</u>	<u>1,058,966,034</u>	<u>1,062,618,408</u>

As at June 30, 2026	Financial liabilities at amortized cost - Rupees -
Financial liabilities	
Long term financing including accrued markup	169,290,213
Lease liability	35,975,428
Short term borrowings including accrued markup	727,236,446
Trade and other payables	274,667,196
Loans from directors and sponsors	317,164,051
	<u>1,524,333,334</u>

	June 30, 2025		
	At fair	At	Total
	value through	Amortized	
Financial assets	profit or loss	cost	
	Rupees		
Long term deposits	-	104,728,521	104,728,521
Trade debts - unsecured	-	530,105,049	530,105,049
Short term loan to employees	-	4,504,141	4,504,141
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>1,037,333,761</u>	<u>1,040,845,152</u>

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	306,438,190
Loans from directors and sponsors	106,550,000
	<u>1,408,983,178</u>

41. 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, 2026	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	3,652,374	-	-	3,652,374
June 30, 2025	Level 1	Level 2	Level 3	Total
	Amount in Rupees			
<i>Financial assets measured at fair value</i>				
Short term investments	3,511,391	-	-	3,511,391

42. 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:

	2026	2025
	Rupees	
Long term borrowings:		
Long term financing	188,397,143	256,887,246
Shareholders' equity:		
- Issued, subscribed and paid up capital	199,650,000	199,650,000
- General reserve	-	132,500,000
- Share premium	96,250,000	96,250,000
- Unappropriated profits	591,583,269	397,655,399
	887,483,269	826,055,399
Total capital managed by the Company	1,075,880,412	1,082,942,645

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

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43. 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 38 to the unconsolidated financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

SUBSIDIARIES

	2026	2025
	Rupees	
Sana Logistics (Private) Limited		
<i>Transactions during the year</i>		
Rental income earned	-	7,800,000
Rent received during the year	-	36,500,000
Loan obtained during the year	29,822,000	52,025,000
Loan repaid during the year	20,935,000	50,025,000
Rent received during the year	70,468,000	-
<i>Balances as at the year end</i>		
Rent receivable	-	70,468,000
Loan payable	10,887,000	2,000,000

Sana Distributors (Private) Limited

<i>Transactions during the year</i>		
Loan obtained during the year	88,356,553	146,887,500
Loan repaid during the year	108,829,179	130,137,500

Received from Sana Distributor (Private) Limited in respect of rent, operation and maintenance expenses.	-	530,000
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Rent, operation and maintenance expenses repaid to Sana Distributor (Private) Limited	-	530,000
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<i>Balances as at the year end</i>		
Loan Payable	-	20,472,626

KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS

Mohammad Younus Nawab (Director)

<i>Transactions during the year</i>		
Loan obtained during the year	-	6,000,000
Loan repaid during the year	900,000	5,300,000

<i>Balances as at the year end</i>		
Loan payable	-	900,000

Mohammad Irfan Nawab (CEO)

<i>Transactions during the year</i>		
Loan obtained during the year	12,200,000	32,550,000
Loan repaid during the year	7,073,679	3,075,000

<i>Balances as at the year end</i>		
Loan payable	46,901,321	41,775,000

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Ibrahim Younus (Chairman)*Transactions during the year*

Loan obtained during the year	286,679,179	70,200,000
Loan repaid during the year	153,830,000	62,025,000

Balances as at the year end

Loan payable	141,224,179	8,375,000
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Ismail Younus (Director)*Transactions during the year*

Loan obtained during the year	5,500,000	10,200,000
Loan repaid during the year	3,500,000	4,925,000

Balances as at the year end

Loan payable	7,275,000	5,275,000
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Muhammad Faizannullah (Director)*Transactions during the year*

Loan obtained during the year	131,700,000	47,450,000
Loan repaid during the year	47,861,449	26,375,000

Balances as at the year end

Loan payable	111,713,551	27,875,000
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Sabiha Younus (Spouse of Director)*Transactions during the year*

Loan obtained during the year	14,500,000	46,400,000
Loan repaid during the year	26,800,000	26,050,000
Rent paid during the year	-	1,034,722

Balances as at the year end

Loan payable	8,050,000	20,350,000
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Afshan Irfan (Spouse of CEO)*Transactions during the year*

Loan obtained during the year	-	2,300,000
Loan repaid during the year	-	300,000
Rent paid during the year	-	1,034,722

Balances as at the year end

Loan payable	2,000,000	2000000
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Sana Industries Gratuity fund*Balances as at the year end*

Contribution Payable	17,610,512	39,796,695
Contribution Payable	17,610,512	39,796,695

44. SEGMENT INFORMATION

44.1 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 89.07% (2025: 91%) of the total revenue of the Company.
- (b) 100% (2025:100%) of the gross sales of the Company were made to customers based in Pakistan.
- (c) As at June 30, 2026 and June 30, 2025 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. 1,058.58 million (2025: Rs 1,198.049 million).

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45. GENERAL

45.1 Number of employees

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

	2026	2025
	Number	
Total number of employees as at year	69	95
Average number of employees during the year	77	97

45.2 Shariah compliance status disclosure

The disclosures required under clause 10 of item no. VI and item no. VII of the Fourth Schedule of the Companies Act, 2017 for Shariah - compliant companies and the companies listed on Islamic index are as follows:

	2026	2025
	Number	
Statement of financial position - Liabilities		
<i>Financing facility from banks as per Islamic mode:</i>		
- Long-term financing	169,290,213	219,313,547
- Short-term financing	1,026,099,162	829,427,972
- Lease financing	-	-
- Mark-up accrued	18,301,335	22,831,052
<i>Financing facility from banks as per Conventional mode:</i>		
- Long-term financing	-	-
- Short-term financing	-	-
- Lease financing	-	-
- Mark-up accrued	-	-
<i>Financing facility from directors as per Islamic mode:</i>		
- Loan from directors and sponsors	317,164,051	106,550,000
- Lease financing	35,975,428	30,772,417
Statement of financial position - Asset		
<i>Investments as per Islamic mode:</i>		
- Short-term investment	45,357,929	11,666,946
- Long-term investment	94,999,990	94,999,990
- Bank balance / TDR	228,308,041	12,017,293
Statement of profit and loss		
- Revenue earned from Shariah compliant business segment	1,802,425,998	2,416,293,478
- Break-up of late payments or liquidated damages	-	-
- Dividend earned from Shariah compliant investments	295,105	-
- Gain or loss or dividend earned on Shariah compliant investments	-	-
- Share of profit from Shariah-compliant associates	-	-
- Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	4,327,250	1,280,920
- Exchange gain earned from actual currency	-	-
- Exchange gains earned using conventional derivative financial instruments	-	-
- Profit paid on Islamic mode of financing	97,374,796	209,985,495
- Total Interest earned on any conventional loan or advance	-	-
Source and detailed breakup of other income		
<i>Shariah-compliant other income:</i>		
- Rental income	30,000,000	37,180,000
- Gain on sale of fixed assets	415,000	22,433,610
- Gain on sale of investment property	-	266,342,550
<i>Non compliant other income:</i>		
- Insurance claim	16,155,210	3,675,835

Relationships with Shariah - compliant financial institutions, including banks, takaful operators and their windows, etc.	Habib Metropolitan Bank Limited
	Dubai Islamic Bank Pakistan Limited
	United Bank Limited
	Habib Bank Limited
	Bank AL Habib Limited
	Meezan Bank Limited
	National Bank of Pakistan
	Al Baraka Bank (Pakistan) Limited
	Faysal Bank Limited
	Bank Alfalah Limited

45.3 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	-- Rupee --
Loans and advances (Advance to supplier)	Long term advances, deposits and prepayments (Advance to supplier)	7	<u>3,000,000</u>
Long term advances, deposits and prepayments (Utility companies)	Long term advances, deposits and prepayments (Banking companies)	7	<u>11,097,000</u>
Deposits and short term prepayments (Cash margin against bank guarantee)	Long term advances, deposits and prepayments (Banking companies)	7	<u>10,000,000</u>
Loans and advances (Advance to supplier)	Loans and advances (Advance to contractor)	9	<u>18,445,333</u>
Loans and advances (Advance to supplier)	Deposits and short term prepayments (Other - prepayments)	9	<u>2,540,125</u>
Loans and advances (Advance to supplier)	Loans and advances (Advance to contractor)	12	<u>20,536,297</u>
Trade and other payables (Creditors)	Loans and advances (Advance to contractor)	12	<u>1,091,360</u>
Deposits and short term prepayments (Prepayments)	Loans and advances (Advance to supplier)	12	<u>450,839</u>
Deposits and short term prepayments (Advance to supplier)	Loans and advances (Advance against expenses)	12	<u>2,122,300</u>
Deposits and short term prepayments (Prepayment - insurance)	Loans and advances (Advance against expenses)	12	<u>1,523,066</u>
Trade and other payable (Creditors)	Trade deposits and short term prepayments (Prepayments)	13	<u>33,014</u>
Other receivables (Other parties)	Other receivables (Shams yarn merchant)	15	<u>78,531</u>
Loans and advances (Loans to employees)	Trade and other payables (Creditors)	23	<u>55,230</u>
Tax refunds due from government (Sales tax refundable)	Trade and other payables (Sales tax payable)	23	<u>43,351,613</u>

45.4 Disclosure relating to Gratuity fund

Investments out of Gratuity fund of have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

45.5 Date of authorization for issue

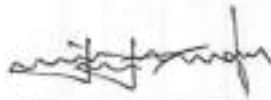
These unconsolidated financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on 02 OCT 2026

45.6 Level of rounding

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



Chief Executive



Director



Chief Financial Officer

**CONSOLIDATED FINANCIAL STATEMENTS
OF
SANA INDUSTRIES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2026**

**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, 2026**, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at **June 30, 2026** and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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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;

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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 05, 2026
UDIN: AR202610210M5bgHFW9I

Sana Industries Limited

Consolidated Statement of Financial Position

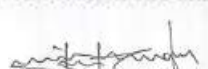
As at June 30, 2026

		2026	2025
ASSETS	Note	Rupees	
Non-current assets			
Property, plant and equipment	4	1,057,879,579	1,012,539,824
Right-of-use assets	5	1,305,203	2,610,407
Long term deposits and prepayments	6	84,370,024	106,737,274
Long term advance	7	57,300	35,300,000
Deferred tax asset - net	8	13,836,401	15,333,855
		1,157,448,507	1,172,921,360
Current assets			
Stock-in-trade	9	289,324,307	218,327,400
Stores and spares		11,295,796	12,490,226
Trade debts	10	708,004,081	630,540,919
Loans and advances	11	19,697,058	49,318,996
Deposits and short term prepayments	12	147,179,280	140,266,132
Short term investments	13	45,357,929	11,666,946
Other receivables	14	194,764,403	466,923,693
Tax refunds due from government	15	154,559,809	113,776,590
Cash and bank balances	16	271,149,085	21,382,302
		1,841,331,748	1,664,693,204
Total assets		2,998,780,255	2,837,614,564
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		200,000,000	200,000,000
Issued, subscribed and paid-up capital	17	199,650,000	199,650,000
Capital reserve:			
Share premium		96,250,000	96,250,000
Revenue reserves:			
General reserves		-	132,500,000
Unappropriated profit		566,454,562	369,926,167
		566,454,562	502,426,167
Equity attributable to the shareholders of Holding Company		862,354,562	798,326,167
Non controlling interest		71,692,115	76,250,702
Total equity		934,046,677	874,576,869
Non-current liabilities			
Lease liability	18	-	11,000,168
Long term financing - secured	19	98,813,833	147,202,321
Deferred liabilities	20	29,083,844	94,116,994
		127,897,677	252,319,683
Current liabilities			
Short term borrowings - secured	21	708,935,111	733,077,974
Trade and other payables	22	647,559,980	651,430,945
Accrued markup	23	18,301,335	22,982,673
Loans from directors and associates - unsecured	24	331,826,122	126,858,577
Subordinated loan from directors		-	10,800,000
Payable to provident fund		15,547,855	12,974,895
Unclaimed dividend		2,005,663	2,005,663
Taxation-net		1,663,950	3,186,749
Current portion of long term liabilities	25	210,995,885	147,400,536
		1,936,835,901	1,710,718,012
Contingencies and commitments	26		
Total equity and liabilities		2,998,780,255	2,837,614,564

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



Chief Executive



Director



Chief Financial Officer

Sana Industries Limited

Consolidated Statement of Profit or Loss

For the year ended June 30, 2026

	Note	2026	2025
		Rupees	
Revenue - net	27	2,326,491,750	3,445,163,962
Cost of sales and services	28	(2,019,161,630)	(3,180,088,137)
Gross profit		307,330,120	265,075,825
Administrative expenses	29	(113,698,632)	(154,208,936)
Distribution expenses	30	(66,045,945)	(86,979,458)
Other operating expense	31	(26,893,561)	(3,631,615)
		(206,638,138)	(244,820,009)
Operating profit		100,691,982	20,255,816
Other income	32	87,594,899	369,286,936
Finance costs	33	(130,431,361)	(203,323,366)
		(42,836,462)	165,963,570
Profit before levies and taxation		57,855,520	186,219,386
Levies	34	(32,808,035)	(2,184,683)
Profit before taxation		25,047,485	184,034,703
Taxation	35	8,244,379	(92,273,723)
Profit after taxation		33,291,864	91,760,980
Attributable to:			
- Shareholders of the Holding Company		37,850,451	91,443,610
- Non-controlling interest		(4,558,587)	317,370
		33,291,864	91,760,980
Earning per share - basic and diluted		1.90	4.58

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

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Chief Executive


Director


Chief Financial Officer

Sana Industries Limited

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2026

	2026	2025
	Rupees	
Profit after taxation	33,291,864	91,760,980
Other Comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial gain on remeasurement of defined benefit plan	36,870,344	57,401,391
Deferred tax on above	(10,692,400)	(16,646,403)
	26,177,944	40,754,988
Total comprehensive income for the year	59,469,808	132,515,968
Attributable to:		
- Shareholders of the Holding Company	64,028,395	132,198,598
- Non - controlling interest	(4,558,587)	317,370
	59,469,808	132,515,968

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

[Signature]

[Signature]
Chief Executive

[Signature]
Director

[Signature]
Chief Financial Officer

Sana Industries Limited

Consolidated Statement of Changes in Equity

For the year ended June 30, 2026

	Issued, subscribed and paid-up capital	Capital reserve Share Premium	Revenue Reserves		Total reserves	Total equity attributable to the shareholders of Holding Company	Non - controlling interest
			General reserves	Un-appropriated profit			
				Rupees			
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 loss 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	76,250,762
Transfer of general reserve	-	-	(132,500,000)	132,500,000	-	-	-
<i>Total comprehensive income for the year ended June 30, 2026</i>							
- Profit after taxation	-	-	-	37,850,451	37,850,451	37,850,451	(4,558,587)
- Other comprehensive income	-	-	-	26,177,944	26,177,944	26,177,944	-
	-	-	-	64,028,395	64,028,395	64,028,395	(4,558,587)
Balance as at June 30, 2026	199,650,000	96,250,000	-	566,454,562	662,704,562	862,354,562	71,692,115

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

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Chief Executive


Director


Chief Financial Officer

Sana Industries Limited

Consolidated Statement of Cash Flows

For the year ended June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before levies and taxation

Adjustments for:

- Depreciation on operating fixed assets
- Depreciation on right-of-use assets
- Provision for staff retirement benefits
- Provision for Sindh Infrastructure Development Cess
- Intangible asset written off
- Long term advances written off
- Plant and machinery written off
- Loan to employee written off
- Impairment of stock-in-trade
- Debtors written off
- Reversal of provision for expected credit losses
- Charge / (reversal) of provision of slow moving items
- Gain on sale of operating fixed assets
- Liabilities written back
- Gain on terminations of lease liability
- Profit on bank deposits
- Unrealized gain on remeasurement of short term investments
- Liability of WPPF written back
- Rental income
- Finance costs

Cash generated from operating activities before working capital changes

Effect on cash flow due to working capital changes

(Increase)/decrease in current assets

- Stock in trade
- Stores and spares
- Trade debts
- Loan and advances
- Trade deposits and short term prepayments
- Other receivables
- Sales tax refundable

Increase in current liabilities

- Trade and other payables
- Payable to provident fund

Cash generated from operations

- Income tax paid
- Contribution to staff retirement benefits fund
- Payment of Workers' Welfare Fund
- Payment of Workers' Participation Fund
- Finance cost paid
- Long term deposits and prepayments - net

Net cash generated from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

- Acquisition of property, plant and equipment
- Long term advance paid
- Short term investment - net
- Profit received
- Proceeds from disposal of operating fixed assets
- Proceeds from rental income

Net cash (used in) / generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

- Principal repaid under Diminishing Musharaka facility
- Repayment of subordinated loan from directors
- Repayment of loan against Islamic temporary economic refinance
- Repayment of lease liability (principal portion)
- Loan borrowed / (repaid) to directors and associates
- Short term borrowings - net

Net cash generated from / (used in) financing activities

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Note	2026	2025
	Rupees	
	57,855,520	185,219,386
4.1.1	59,685,288	75,404,996
5	1,345,204	10,045,617
20.2.3	14,684,161	22,582,459
	2,909,949	-
31	-	536,854
31	-	1,000,000
31	4,944,720	-
31	58,000	-
31	10,585,921	-
31	10,256,346	2,094,761
32	(4,808,644)	(1,068,699)
32	872,082	(488,904)
32	(2,932,862)	(408,067,432)
32	(731,793)	-
32	-	(7,313,139)
32	(4,864,665)	(2,090,329)
32	(31,459)	(396,516)
32	(12,247,633)	-
32	(30,000,000)	(29,380,000)
33	139,431,361	203,323,356
	189,116,016	(133,726,956)
	237,971,536	52,492,420
	(81,582,828)	59,930,205
	322,348	18,654,797
	(82,910,864)	44,382,179
	29,563,938	(9,278,482)
	(6,913,148)	(18,080,932)
	272,150,290	2,613,289
	(41,129,101)	-
	5,679,364	109,786,439
	2,572,960	-
	97,761,959	208,007,495
	335,733,495	260,499,915
	(31,198,064)	(86,519,038)
	-	-
	-	(3,000,000)
	(108,359)	-
	(108,173,056)	(219,729,959)
	22,367,290	(81,915,470)
	218,621,266	(130,664,532)
4	(74,955,718)	(6,782,704)
	-	(33,053,000)
	(33,659,524)	8,475,000
	4,864,665	2,090,329
	3,361,517	338,295,621
	30,000,000	29,380,000
	(70,385,060)	338,405,246
	(26,823,361)	(33,483,929)
	-	(9,200,000)
	(41,666,744)	(27,970,570)
	-	(9,279,923)
18	194,167,545	12,653,617
	(24,142,863)	(155,862,737)
	104,534,577	(223,143,542)
	249,766,783	(15,402,848)
	21,382,302	36,785,150
16	271,149,085	21,382,302

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

Chief Executive

Director

Chief Financial Officer

Sana Industries Limited

Notes to the Consolidated Financial Statements

For the year ended June 30, 2026

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, 2026, the Holding Company held 70% (2025: 70%) ordinary shares of Sana Logistics (Private) Limited and 100% (2025: 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.

Owned immovable property:

Usage	Location	Address	Area
Manufacturing facility	Lasbela	Hub Industrial Trading Estate, situated at Tehsil Hub, District Lasbela, Balochistan.	85,703 Square meter
Warehouse	Karachi	SF-96, S.I.T.E, Karachi.	11,250 Square feet

Leased office:

Usage	Location	Address	Area
Registered office	Karachi	33-D-2, Block 6, P.E.C.H.S, Karachi.	1,000 Square yard

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 1,000 square yard.

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

- Plot no. 2, Jouri Road, near Fecto cement factory, Sangjani, Islamabad.

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:

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Registered office: The registered office situated at 33-D-2, Block 6, P.E.C.H.S., Shahr-e Faisal, Karachi, measuring 1,000 square yard.

Warehouse: The Subsidiary Company has Warehouse facilities situated as under:

- Godown No. K-11, TCP Landhi Godowns, Karachi.
- Plot No. B-22, Main Tando Muhammad Khan Road near Fateh Chowk, Hyderabad, Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated 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:

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

Where the provisions of, directives and notifications issued, under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 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:

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	<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 Standards, interpretations and amendments to the approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2025. However, these do not have any significant impact on these unconsolidated financial statements.

2.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2026
IAS 21 The effects of changes in foreign exchange rates (Amend)	January 1, 2027
IAS 28 Investments in Associates and Joint Ventures (Amendm	January 1, 2027
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9 Financial Instruments (Amendments)	January 1, 2026
IFRS 10 Consolidated Financial Statements (Amendments)	January 1, 2026
IFRS 17 Insurance Contracts (Amendments)	January 1, 2027
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027

The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the unconsolidated financial statements other than in presentation / disclosures.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 20	Regulatory Assets and Regulatory Liabilities
IFRIC 12	Service Concession Arrangements

3. MATERIAL ACCOUNTING POLICIES

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

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3.1 Basis of consolidation

3.1.1 Business combination

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

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

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

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

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

3.1.2 Subsidiaries

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

3.1.3 Non-controlling interests - NCI

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

3.1.4 Transactions eliminated on consolidation

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

3.2 Property, plant and equipment

Operating assets- owned

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

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

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

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

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

Capital work in progress

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

3.3 Leases

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

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

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

(a) Right-of-use assets

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

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

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

(b) Lease liabilities

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

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

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

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

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

3.4 Stores and spares

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

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

3.5 Stock-in-trade

Basis of valuation

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

Determination of cost

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

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

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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.

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(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.

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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.

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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.

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Deferred tax

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

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

Judgment and estimates

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

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

Offsetting

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

3.16 Provisions and contingent liabilities

Provisions

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

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

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

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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.

		2026	2025
	Note	Rupees	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,057,879,579	1,011,504,474
Capital work in progress	4.2	-	1,035,350
		<u>1,057,879,579</u>	<u>1,012,539,824</u>

4.1 Operating fixed assets

	SP-76 Premises (Tenancy Rights)	Holding on leasehold land	Electrication - Factory Building	Office Premises SP-76	Plant and machinery	Solar	Electrical & Heating equipment	Furniture, fixtures and office equipment	Vehicles	Computers & software	Total
As at June 30, 2024											
Cost	12,095,494	5,000,000	280,465,099	42,977,472	12,819,637	1,403,689,618	135,755,524	24,119,435	89,220,274	7,762,883	2,694,565,536
Accumulated depreciation	-	-	(82,756,992)	(18,268,859)	(8,041,274)	(372,116,063)	(48,436,899)	(14,139,232)	(44,764,726)	(3,336,435)	(613,953,279)
Net book value	12,095,494	5,000,000	197,708,106	4,708,613	4,778,363	1,031,573,555	87,318,625	9,980,203	44,455,548	2,132,427	1,880,512,257
Year ended June 30, 2025											
Opening net book value	12,095,494	5,000,000	198,208,106	4,748,613	4,778,363	1,031,573,555	87,318,625	9,980,203	44,455,548	2,132,427	1,880,512,257
Additions	-	-	-	-	-	4,611,367	1,953,780	1,667,657	-	-	6,782,704
Transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	(16,494,152)	10,599,866	-	(103,871,686)	89,377,614	(1,962,677)	3,314,282	(320,468)	(12,882,271)
Accumulated depreciation	-	-	(10,494,152)	10,599,866	-	17,805,786	(11,645,829)	1,604,287	(4,687,689)	423,626	12,882,271
Net book value	-	-	(10,494,152)	10,599,866	-	(86,066,002)	77,951,743	(178,390)	8,201,971	3,158	-
Disposals											
Cost	(6,812,873)	-	(180,961,867)	(12,727,641)	-	(111,700,963)	(221,791,887)	(4,207,753)	(18,588,333)	(2,496,610)	(530,977,969)
Accumulated depreciation	-	-	90,999,170	11,150,033	-	56,003,276	87,771,092	2,098,385	10,940,087	1,982,768	209,504,434
Net book value	(6,812,873)	-	(90,962,697)	(1,577,608)	-	(55,697,687)	(134,020,795)	(2,109,368)	(7,648,246)	(413,842)	(320,473,535)
Depreciation for the year											
Client net book value	-	-	(3,388,121)	(2,999,074)	(25,222)	(43,999,548)	(9,117,480)	(1,632,276)	(11,395,967)	(87,288)	(75,404,969)
Client net book value	5,282,619	5,000,000	92,321,136	10,771,787	4,778,141	848,772,823	3,625,878	7,128,027	33,613,598	733,455	1,011,584,474
As at June 30, 2025											
Cost	5,282,619	5,000,000	139,803,732	30,749,831	12,819,637	1,100,578,915	108,611	19,496,786	74,146,203	4,941,805	1,487,478,010
Accumulated depreciation	-	-	(47,540,096)	(19,478,034)	(8,065,496)	(342,706,997)	(1,469,133)	(12,568,759)	(40,572,895)	(4,212,270)	(495,975,460)
Net book value	5,282,619	5,000,000	92,263,636	10,771,797	4,754,141	848,272,823	3,625,878	7,128,027	33,613,598	733,455	1,011,584,474
Year ended June 30, 2026											
Opening net book value	5,282,619	5,000,000	92,263,636	10,771,797	4,754,141	848,272,823	3,625,878	7,128,027	33,613,598	733,455	1,011,584,474
Additions	-	-	-	-	-	1,507,683	4,095,016	1,035,399	-	-	6,537,994
Transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-	-	-	-
Where:											
Cost	-	-	-	-	-	(5,887,281)	-	-	-	-	(5,887,281)
Accumulated depreciation	-	-	-	-	-	942,629	-	-	-	-	942,629
Net book value	-	-	-	-	-	(4,944,652)	-	-	-	-	(4,944,652)
Depreciation for the year											
Client net book value	-	-	(3,041,609)	(2,470,663)	(25,222)	(41,144,086)	(9,117,480)	(1,632,276)	(11,395,967)	(87,288)	(75,404,969)
Client net book value	5,282,619	5,000,000	89,279,527	8,771,124	4,777,920	803,087,105	3,625,878	7,128,027	33,613,598	733,455	1,011,584,474
As at June 30, 2025											
Cost	5,282,619	5,000,000	139,803,732	30,749,831	12,819,637	1,100,578,915	108,611	19,496,786	74,146,203	4,941,805	1,487,478,010
Accumulated depreciation	-	-	(47,540,096)	(19,478,034)	(8,065,496)	(342,706,997)	(1,469,133)	(12,568,759)	(40,572,895)	(4,212,270)	(495,975,460)
Net book value	5,282,619	5,000,000	92,263,636	10,771,797	4,754,141	848,272,823	3,625,878	7,128,027	33,613,598	733,455	1,011,584,474
Annual rate of depreciation											
Residual Value in %	35%	0%	35%	5%	5%	5%	10%	10%	30%	20%	10%

4.1.1	Depreciation for the year has been allocated as under :	Note	2026 Rupees	2025
	Cost of sales- Manufacturing and service expense	28	42,979,624	54,954,404
	Cost of sales- Fuel and power	28.4	7,058,988	7,053,248
	Administration expenses	29	6,972,403	9,914,872
	Distribution cost	30	2,674,273	3,476,744
			<u>59,685,288</u>	<u>75,399,268</u>

4.1.2 The particulars of the Group leasehold land and warehouse, including their location and covered area, have been disclosed in note 1.2 to these consolidated financial statements.

4.2	Capital work in progress	Note	2026 Rupees	2025
	Opening balance		1,035,350	3,760,024
	Additions during the year		95,275,744	-
	Transfer to operating fixed assets	4.2.1	(96,311,094)	-
	Disposal during the year		-	(2,724,674)
			<u>-</u>	<u>1,035,350</u>

4.2.1 During the year ended June 30, 2026, the Holding Company successfully commissioned a solar power plant at its manufacturing facility located at HITE. The solar plant is expected to contribute to the Company's future economic benefits through a reduction in electricity consumption from the grid and, consequently, a reduction in power and energy costs.

5.	RIGHT-OF-USE ASSETS		2026 Rupees	2025
	Opening book value		2,610,407	25,762,759
	Effect of modification		-	(19,111,162)
	Less: Depreciation for the year		(1,305,204)	(4,041,190)
			<u>1,305,203</u>	<u>2,610,407</u>
	Depreciation rate (per annum)		<u>33.3%</u>	<u>33.30%</u>

The terms and conditions of the lease contract is as follows:

Particular	Head Office (Karachi)
Lessor name	Mrs. Sabiha Younus and Mrs. Afshan Irfan
Address of the leased property	33-D-2, Block 6, P.E.C.H.S. Karachi.
Lease agreement date	July 01, 2024
Lease commencement date	July 01, 2024
Initial contractual term of the lease	11 Months
Availability of extension option?	Yes
No. of years for which the lease extension option is available	Indefinite
Estimated lease term (as on the date of commencement of the lease)	3 year

6.	LONG TERM DEPOSITS AND PREPAYMENTS	Note	2026 Rupees	2025
	Long term security deposits with:			
	- Utility companies	6.1	60,236,221	83,519,021
	- Banking companies	6.2 & 44.1	21,097,000	21,097,000
	- Rental deposit	44.1	2,136,223	690,373
	- Fuel card deposit	44.1	515,753	115,753
	- Central Depository Company (CDC)		12,500	12,500
	- Other		100,000	100,000
			<u>84,097,697</u>	<u>105,534,647</u>
	Long term prepayments	44.1	737,477	1,202,627
	Current portion of Long term prepayment		(465,150)	-
			<u>272,327</u>	<u>1,202,627</u>
			<u>84,370,024</u>	<u>106,737,274</u>

6.1	Utility deposits	2026	2025
		Rupees	
	- Sui Southern Gas Company (SSGC)	41,063,271	81,063,271
	- Lasbela Industrial Estate Development Authority	18,220,000	1,502,800
	- Others	952,950	952,950
		<u>60,236,221</u>	<u>83,519,021</u>

6.2 This represents cash margin deposited with M/s. Habib Metro Bank Limited and M/s. Dubai Islamic Bank Limited amounting against issuance of Letter of Guarantee to Sui Southern Gas Company Limited and other beneficiaries on behalf of the Company. (Refer note 26.2.1)

6.3 Long-term prepayments represent amounts paid in advance under Software. These agreements provide the Company with the right to access and use certain software applications. As the related economic benefits are expected to flow to the Company over a period exceeding one year, such payments are classified as long-term prepayments and amortized over the subscription period.

7.	LONG TERM ADVANCE	Note	2026	2025
			Rupees	
	Advance against purchase of solar panels	7.1	<u>57,300</u>	<u>35,500,000</u>

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

8. DEFERRED TAXATION- net

	2026			
	Balance at beginning of the year	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	141,202,668	(14,516,528)	-	126,686,140
- Islamic Temporary Economic Refinance Facility	10,933,193	(5,297,264)	-	5,635,929
	<u>152,135,861</u>	<u>(19,813,792)</u>	<u>-</u>	<u>132,322,069</u>
Deferred tax assets arising from:				
- Unused tax losses	(97,584,453)	1,019,631	-	(96,564,822)
- Minimum tax	(16,646,405)	16,646,405	-	-
- Provision for staff retirement benefits	(11,541,042)	(4,258,400)	10,692,400	(5,107,048)
- Provision for slow moving items	(48,993)	(252,903)	-	(301,896)
- Gas infrastructure cess liability	(23,111,874)	(4,426,507)	-	(27,538,381)
- Allowance for expected credit losses	(1,792,138)	1,401,757	-	(390,381)
- Lease liability - net	(8,166,983)	(1,387,382)	-	(9,554,365)
- Deferred government grant	(8,683,019)	3,420,249	-	(5,262,770)
- Sindh infrastructure cess liability	(94,820)	(843,897)	-	(938,717)
	<u>(167,669,717)</u>	<u>10,818,947</u>	<u>10,692,400</u>	<u>(146,158,370)</u>
	<u>(15,533,856)</u>	<u>(8,994,945)</u>	<u>10,692,400</u>	<u>(13,836,401)</u>

	2025			
	Balance at beginning of the year	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	10,141,657	(5,208,468)	-	4,933,189
	<u>205,043,132</u>	<u>(58,907,275)</u>	<u>-</u>	<u>146,135,857</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)	300,923	-	(1,792,138)
- Lease liability - net	(18,488,621)	(10,221,638)	-	(28,710,259)
- Deferred government grant	(12,804,508)	4,141,489	-	(8,663,019)
- Re-financing Scheme for salaries and wages	(94,820)	-	-	(94,820)
	<u>(241,637,817)</u>	<u>97,321,698</u>	<u>16,646,403</u>	<u>(137,619,716)</u>
	<u>(36,594,685)</u>	<u>38,414,427</u>	<u>16,646,403</u>	<u>(1,533,855)</u>

9.	STOCK-IN-TRADE	Note	2026	2025
			Rupees	
	Raw material			
	- In hand		102,504,125	74,623,320
	- In transit		15,460,211	37,950,497
			117,964,336	112,573,817
	Work in process		17,020,814	21,695,435
	Finished goods		142,406,109	73,523,376
	Waste materials		3,490,052	3,628,172
	Packing materials		8,442,996	6,906,600
			289,324,307	218,327,400
10.	TRADE DEBTS			
	Receivables against sale of goods		621,751,503	531,274,664
	Receivables against rendering of cold storage services		6,943,062	68,656,055
	Receivables against distribution of products		80,655,623	36,764,951
			709,350,188	636,695,670
	Less: provision for expected credit losses	10.1	(1,346,107)	(6,154,751)
			708,004,081	630,540,919
10.1	Movement in provision for expected credit losses			
	Balance at the beginning of the year		6,154,751	7,223,450
	Charge during the year	31	176,492	-
	Reversal of charge during the year	32	(4,985,136)	(1,068,699)
	Balance at the end of the year		1,346,107	6,154,751
11.	LOANS AND ADVANCES			
	Loans to employees	11.1	3,176,256	4,717,141
	Advances			
	- to contractors	44.1	1,915,885	20,054,937
	- to suppliers	44.1	14,438,507	20,462,086
	- against expenses	44.1	166,410	4,063,191
	- to staff		-	21,641
			16,520,802	44,601,855
			19,697,058	49,318,996
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.			
12.	DEPOSITS AND SHORT TERM PREPAYMENTS	Note	2026	2025
			Rupees	
	Deposits			
	Sui Southern Gas Company Limited against gas tariff	26.1.2	130,413,213	130,413,213
	Other deposits		801,409	5,509,087
			131,214,622	135,922,300
	Insurance	44.1	15,499,508	4,343,832
	Current maturity of prepayment		465,150	-
			15,964,658	4,343,832
			147,179,280	140,266,132

13.	SHORT TERM INVESTMENT	Note	2026	2025
			Rupees	
	Investment in Habib Islamic Investment Certificate	13.1	1,705,555	1,705,555
	Investment in units of mutual funds	13.2	3,652,374	3,511,391
	Investment in Term Deposit Receipts (TDRs)		40,000,000	6,450,000
			<u>45,357,929</u>	<u>11,666,946</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 8% to 12% p.a. (2025: 15.50% to 17.50% p.a.).

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

2026 - (Number of units) -	2025	Fund name	2026		2025	
			Cost	Fair value	Cost	Fair value
			Rupees			
4,848	4,556	Fayol Islamic Cash Fund	420,168	487,240	346,487	456,664
31,300	30,427	Al Habib Islamic Saving Funds	3,200,747	3,165,134	3,042,684	3,054,727
<u>36,148</u>	<u>34,983</u>		<u>3,620,915</u>	<u>3,652,374</u>	<u>3,389,171</u>	<u>3,511,391</u>

14.	OTHER RECEIVABLES	Note	2026	2025
			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	14.2	73,000,273	430,200,273
	Profit accrued on saving account		64,432	-
	Insurance claim receivable		16,155,210	-
	Shams yarn marchant	44.1	33,024,973	78,531
	ANC foods (Private) Limited		9,233,444	-
	Tausif cattle farm	14.3 & 44.1	27,761,530	1,277,149
	Other parties	44.1	1,328,520	1,171,719
			<u>194,764,403</u>	<u>466,923,693</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.

- 14.2** During the year ended June 30, 2025, the Holding Company and subsidiary Sana Logistics (Private) Limited entered into an agreement with M/s Owais Shamim SMC (Private) Limited for the sale of its idle fixed assets and investment property amounting to Rs. 305.218 million and Rs. 446.462 million, respectively.

Against the above transaction, an amount of Rs. 321.480 million was received during the financial year 2024-2025. During the year ended June 30, 2026, the Company further received Rs. 357.20 million, resulting in a balance receivable of Rs. 73 million as at June 30, 2026. The balance receivable is expected to be recovered in full by December 31, 2026.

- 14.3 This includes an amount of Rs. 14.95 million receivable from M/s Tausif Cattle Farm in respect of commission earned by the subsidiary Company for facilitating the sale of livestock on behalf of M/s Tausif Cattle Farm. The commission was charged at the rate agreed between the parties and is receivable from M/s Tausif Cattle Farm as at the reporting date.

15. TAX REFUNDS DUE FROM GOVERNMENT	Note	2026	2025
		Rupees	
Income tax refundable	15.1	100,375,369	100,721,251
Sales tax refundable	15.2 & 44.1	54,184,440	13,055,339
		<u>154,559,809</u>	<u>113,776,590</u>
15.1 Income tax refundable			
Opening balance		100,721,251	109,423,101
Add: taxes deducted at source		27,660,974	45,157,446
		<u>128,382,225</u>	<u>154,580,547</u>
Less: Tax charge (classified as a levy)		(27,881,179)	-
Less: Tax charge (classified as current tax)		(125,677)	(53,859,296)
Closing balance		<u>100,375,369</u>	<u>100,721,251</u>

15.2 Sales tax refundable			
Input sales tax:			
- Un-adjusted credit carried forward		45,435,796	5,763,019
- Credit to be claimed after declaration of corresponding output tax by vendors		1,456,324	-
- Refundable		7,292,320	7,292,320
		<u>54,184,440</u>	<u>13,055,339</u>

16. CASH AND BANK BALANCES			
Cash in hand		784,222	3,741,970
Cash at bank			
- Current accounts		232,098,195	6,158,896
- Saving accounts	16.1	38,266,668	11,481,436
		<u>270,364,863</u>	<u>17,640,332</u>
		<u>271,149,085</u>	<u>21,382,302</u>

- 16.1 These carry profit at the average rate ranging between 4% to 9% (2025: 6% to 10%) per annum.

17. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2026	2025		2026	2025
No. of shares			Rupees	
		Ordinary shares of Rs. 10/- each issued:		
6,406,250	6,406,250	- for cash	64,062,500	64,062,500
13,558,750	13,558,750	- as bonus shares	135,587,500	135,587,500
<u>19,965,000</u>	<u>19,965,000</u>		<u>199,650,000</u>	<u>199,650,000</u>

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

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18.	LEASE LIABILITY	Note	2026	2025
			Rupees	
	Opening balance		30,772,417	70,370,087
	Effect of modification	5	-	(19,111,162)
	Terminated during the year		-	(16,163,576)
	Payments made during the year		-	(9,279,923)
	Finance charges	33	5,203,011	4,956,991
			35,975,428	30,772,417
	Less: Current portion shown under current liabilities	18.1	(35,975,428)	(19,772,249)
			-	11,000,168

18.1 This includes an amount of Rs. 24.109 million (2025: Rs. 15.50 million) which has become due.

19.	LONG TERM FINANCING - Secured	Note	2026	2025
			Rupees	
	Diminishing musharaka	19.1	32,746,083	59,431,322
	Islamic Temporary Economic Refinance Facility (ITERF)	19.2	66,067,750	87,771,199
			98,813,833	147,202,521
19.1	Long term Musharaka under shariah arrangement			
	- Bank Al-Habib Limited	19.1.1	39,053,951	52,154,290
	- First Habib modaraba		-	138,122
	- Dubai Islami Bank	19.1.2	20,377,375	33,962,275
			59,431,326	86,254,687
	Less: Current maturity shown under current liabilities	25	(26,685,243)	(26,823,365)
			32,746,083	59,431,322

19.1.1 Bank Al-Habib Limited

The Group has obtained a Diminishing Musharaka Financing was obtained under shariah arrangement to finance the purchase of machinery. The bank has approved a facility of (187.5 millions) BAHF Exposure over DM shall not be exceed Rs. 150 million or 80% of the cost of asset, whichever is less. The mark-up rate on the financing is 6 months KIBOR + 1.5% per annum (June 30, 2025: 6 months KIBOR + 1.5%).

The arrangement is secured against the following:

- Pari Passu charge over Stocks and receivables for Rs. 167.00 million inclusive of 25% margin.
- First exclusive hypothecation charge over machinery for Rs. 80 million to be registered with SECP. Initially, ranking charge will be created, which will be upgraded to 1st exclusive charge within 120 days from the date of disbursement of DM and;
- Equitable mortgage charge over land, building including plant and machinery of Rs. 551.328 million constructed on plot survey No. 54 located at Deh Gondpass at Tapo Gabopat, Kemari town, Karachi.
- Personal guarantee of directors covering aggregate exposure i.e. Mr. Muhammad Younus Nawab, Mr. Muhammad Irfan Nawab and Mr Muhammad Ibrahim Younus.

19.1.2 Dubai Islami Bank Pakistan Limited

The Group has obtained a Diminishing Musharaka Financing was obtained under shariah arrangement to finance the purchase of machinery. The bank has approved a facility of Rs. 29.34 million (2025: Rs. 39.623 million). The mark-up rate on the financing is 3 months KIBOR + 2% per annum (June 30, 2025: 3 months KIBOR + 2%).

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The arrangement is secured against the following:

- First exclusive hypothecation charge over machinery for Rs. 80 million to be registered with SECP. Initially, ranking charge will be created, which will be upgraded to 1st exclusive charge within 120 days from the date of disbursement of DM and;
- Nil cash margin or as per SBP directives, whichever is higher.
- Personal guarantee of directors i.e. Mr. Muhammad Younus Nawab, Mr. Muhammad Irfan Nawab and Mr. Muhammad Ibrahim Younus along with personal net worth statements.

19.2	Financing under Islamic Temporary Economic Refinance Facility (ITERF)	Note	2026	2025
			Rupees	
	Opening balance		133,258,860	160,963,413
	Payments made during the year		(49,971,429)	(51,502,074)
	Interest accrued during the year	33	26,571,456	23,797,521
			109,858,887	133,258,860
	Current portion shown under current liabilities	25	(43,791,137)	(45,487,661)
		19.2.1	66,067,750	87,771,199
19.2.1 ITERF Financing – Bank-wise				
	- M/s. Bank Al Habib Limited	19.2.1.1	25,143,748	32,045,248
	- M/s. Dubai Islamic Bank Limited	19.2.1.2	40,924,002	55,725,951
			66,067,750	87,771,199

- 19.2.1.1** The Group has obtained a long-term financing facility M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 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 (2025: 100 million) and the drawn down amount is Rs. 99.99 million (2025: Rs. 99.99 million).

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

- (a) The applicable markup rate is 5% per annum (2025: 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 instalments.; and
- (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;

- 19.2.1.2** The Group has obtained a long-term financing facility from M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 150 million and the drawn down amount is Rs. 150 million (2025: Rs. 150 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 (2025: 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.

19.2.3 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).

20.	DEFERRED LIABILITIES	Note	2026	2025
			Rupees	
	Deferred government grant	20.1	9,076,871	18,147,487
	Staff retirement benefits - defined benefit plan (gratuity)	20.2	17,610,512	39,796,695
	Sindh Infrastructure Development Cess	20.3	2,396,461	-
	Provision for Gas infrastructure Development Cess	20.4	-	36,172,812
			<u>29,083,844</u>	<u>94,116,994</u>
20.1	Deferred government grant			
	Opening balance		29,941,444	44,222,440
	Less: Amortization of government grant during the year		<u>(11,793,960)</u>	<u>(14,280,996)</u>
			18,147,484	29,941,444
	Current maturity shown under current liabilities		<u>(9,070,613)</u>	<u>(11,793,957)</u>
			<u>9,076,871</u>	<u>18,147,487</u>

20.2 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, 2026 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	2026	2025
		Rupees	
Present value of the defined benefit obligation	20.2.1	95,752,189	136,937,572
Fair value of the plan assets	20.2.2	<u>(78,141,677)</u>	<u>(97,140,877)</u>
		<u>17,610,512</u>	<u>39,796,695</u>
20.2.1 Movement in defined benefit obligation			
Opening defined benefit obligation		136,937,572	132,200,694
Current service cost	20.2.3	11,270,759	11,576,654
Interest cost		14,193,127	18,903,353
Benefits paid by the fund		<u>(32,543,722)</u>	<u>(8,084,736)</u>
Curtailment / settlement gain / loss		<u>(1,277,616)</u>	
Remeasurement gain on obligation		<u>(32,827,931)</u>	<u>(17,658,393)</u>
Closing defined benefit obligation		<u>95,752,189</u>	<u>136,937,572</u>

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20.2.2	Movement in the fair value of plan assets	Note	2026	2025
			Rupees	
	Balance at beginning of the year		97,140,877	57,585,067
	Expected return on plan assets		9,502,109	7,897,548
	Contribution		-	-
	Benefits paid by the fund		(32,543,722)	(8,084,736)
	Remeasurement gain on plan assets		4,042,413	39,742,998
	Balance at end of the year		<u>78,141,677</u>	<u>97,140,877</u>
20.2.3	Expense recognized in the statement of profit or loss			
	Current service cost		11,270,759	11,576,654
	Net interest expense		4,691,018	11,005,805
	Curtailment / settlement gain / loss		(1,277,616)	-
			<u>14,684,161</u>	<u>22,582,459</u>
	Allocation of expense			
	- Cost of sales	28.3	5,516,764	9,600,000
	- Administrative expenses	29.1 & 29.2	7,161,859	11,062,459
	- Distribution cost	30.1	2,005,538	1,920,000
			<u>14,684,161</u>	<u>22,582,459</u>
20.2.4	Remeasurement gain recognised in other comprehensive income			
	<i>Remeasurement of the present value of defined benefit obligation</i>			
	- Financial assumptions		12,589,464	8,121,035
	- Demographic assumptions		-	(6,725)
	- Experience adjustments		20,238,467	9,544,083
			<u>32,827,931</u>	<u>17,658,393</u>
	Remeasurement of the fair value of plan assets		4,042,413	39,742,998
			<u>36,870,344</u>	<u>57,401,391</u>

20.2.5 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, 2026			
		Rupees	
Discount rate	1%	92,637,514	92,637,514
Expected rate of salary increase	1%	99,000,255	92,789,887
Mortality age	1 year	95,743,084	95,761,250
Withdrawal rates	10%	95,901,234	95,591,850
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

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		2026	2025
20.2.6	Principal assumptions used		
	Withdrawal Rates	High	High
	Mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Expected rate of increase in future salary (per annum)	10.00%	6.75%
	Discount rate - per annum	11.75%	11.75%
	Expected rate of return on plan assets	11.75%	11.75%
	Normal retirement age	60 years	60 years

		2026	2025
20.2.7	Composition of plan assets		
		Rupees	
	Equity securities and units of mutual funds	71,861,955	94,270,664
	Bank balances	5,084,342	1,674,833
	Investment Certificate	1,195,380	1,195,380
		<u>78,141,677</u>	<u>97,140,877</u>

20.2.8 The duration as at valuation date works out to 3.44 years (2025: 3.37 years).

		2026	2025
20.3	Sindh Infrastructure Development Cess		
		Rupees	
	Opening balance	-	-
	Recognized during the year	3,423,517	-
	Payment made during the year	(513,528)	-
	Closing balance	2,909,989	-
	Current maturity shown under current liabilities	25. (513,528)	-
		<u>2,396,461</u>	<u>-</u>

20.3.1 The Government of Sindh introduced the Infrastructure Cess in 1994 for the development and maintenance of infrastructure in the Province of Sindh. The cess was levied at prescribed rates on the value of goods entering or leaving Sindh through Karachi by road or rail. The levy was subsequently re-enacted under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017

During the year, the Company entered into a settlement agreement dated April 23, 2026 with the Government of Sindh pursuant to the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026, whereby the Company's liability in respect of the Sindh Development and Maintenance of Infrastructure Cess was admitted and settled at Rs. 3,423 million. Accordingly, the settled amount has been recognised in the financial statements for the year ended June 30, 2026.

		2026	2025
20.4	Provision for Gas Infrastructure Development Cess		
		Rupees	
	Opening balance	79,696,116	67,984,393
	Interest on unwinding of the provision	33. 15,263,820	11,711,723
		<u>94,959,936</u>	<u>79,696,116</u>
	Less: Current maturity shown under current liabilities	25. (94,959,936)	(43,523,304)
		<u>-</u>	<u>36,172,812</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 (2025: Rs. 95 million) and remaining amount of Rs. 61.5 million (2025: Rs. 61.5 million) has not been acknowledged as debt (refer note 26.1.1).

21.	SHORT TERM BORROWINGS - Secured	Note	2026	2025
			Rupees	
	<i>Istisna financing</i>			
	- Habib Metropolitan Bank Limited	21.1	159,281,302	227,511,686
	- Habib Bank Limited	21.2	145,897,410	181,173,741
	- United Bank Limited	21.3	199,963,423	
	- Bank Al Habib Limited	21.4	15,314,923	20,505,304
			520,457,058	429,190,731
	<i>Murahaha financing</i>			
	Bank Al Habib Limited		-	114,134,339
	<i>Wakala financing</i>			
	Dubai Islamic Bank	21.5	188,478,053	189,752,904
			708,935,111	733,077,974

21.1 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. 170 million (2025: Rs. 248 million) as a sub-limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2025: 6 months KIBOR + 3%). The maximum tenor of the Istisna Financing is 120 days (2025: 120 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 pari passu charge of Rs. 550 M over fixed assets [charge on land & building Rs. 340 M + charge on P&M of Rs. 210 M] with 40% margin; and
- Equitable mortgage over industrial property having market value of Rs. 4,419 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.

21.2 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. 150 million (2025: Rs. 200 million). The mark-up rate on the financing is 6 months KIBOR + 1.5% per annum (2025 : 6 months KIBOR + 1.5% per annum). The maximum tenor of the Istisna Financing is 180 days (2025: 180 days).

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The arrangement is secured against the following:

- 1st pari passu charge of Rs. 267 million over Stocks & receivables of the company with 25% Margin.;
- 1st Pari Passu charge of Rs.178 million over factory land & building and PP charge of Rs.89 million over plant & machinery located at Plot No. B-183-188 & 197-199, Private khasra # 760, 761,767 & 770, Hub Industrial Estate Lasbella, Baluchistan HITE, owned by Sana Industries Limited, having Market value Rs. 2,149 million (Land & Bldg of Rs. 1,123 million & P&M of Rs. 1,026 million) and total FSV is Rs. 1,617 million 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.

21.3 Short term Istisna Financing was obtained by the Holding Company under shariah arrangement to import raw materials i.e. polyester and fiber./ working capital lines. The bank has approved a facility of Rs. 300 million. The financing is priced at the TDR rate plus 0.85% per annum. The maximum tenor of the Istisna Financing is 180

- 100% Cash margin in shape of lien over account /deposits /TDR;
- Personal Guarantees of Mr. Hafiz Mohammad Yunus Nawab, Mr. Mohammad Irfan Nawab, and Mr. Ibrahim Yunus;
- Sub- ordination of Director's Loan favoring Bank; and
- Corporate guarantee of M/s Sana Distributors (Private) Limited.

21.4 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 (2025 : Rs. 50 million). The mark-up rate on the financing is 6 months KIBOR + 1.75% per annum (2025: 6 months KIBOR + 1.75% per annum). The maximum tenor of the Istisna Financing is 120 days (2025: 120 days).

The arrangement is secured against the following:

- Equitable mortgage charge registered over land, building and plant and machinery amounting to Rs. 551.32 million (2025: Rs. 551 million);
- pari passu charge registered over stocks / receivables amounting to Rs. 167 million with a 25% margin (2025: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

21.5 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 (2025: Rs. 190 million). The markup rate on the facility is matching KIBOR + 1.75% per annum (2025: matching KIBOR + 1.75% per annum). The maximum tenor is 180 days (2025: 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;
- 1st pari passu charge over Land and Building of the company with 25% margin amounting 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 Yunus and Yunus Nawab; along with personnel net worth statements.

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- 21.6 As at June 30, 2026, the Group had unavailed short term financing facilities amounting to Rs. 151.064 million (2025: Rs. 40.122 million).

22. TRADE AND OTHER PAYABLES	Note	2026	2025
		Rupees	
Creditors	44.1	269,506,939	132,035,885
Accrued expenses	44.1	154,001,565	172,606,884
Advance from customer	22.1	75,804,784	200,192,582
Provision for gas tariff difference	22.2	51,505,591	51,505,591
Withholding Income tax payable		41,222,893	32,807,629
Sales tax payable	44.1	45,866,311	47,924,859
Workers' Profits Participation Fund	22.3	2,563,374	12,355,992
Incentive payable to customer		4,380,123	-
Workers' Welfare Fund	22.4	1,570,893	596,811
Others		1,137,507	1,404,712
		<u>647,559,980</u>	<u>651,430,945</u>

- 22.1 During the year, the performance obligations underlying the opening contract liability of Rs. 200.19 million were satisfied in full by the Holding company. Accordingly, the said liability was recorded as revenue during the year.

Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 75.804 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

22.2 Provision for gas tariff difference	Note	2026	2025
		Rupees	
Provision under Suit 129 of 2017	22.2.1	<u>51,505,591</u>	<u>51,505,591</u>

- 22.2.1 On December 30, 2016, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. (1)/2016 whereby, with effect from December 15, 2016, the sale price of natural gas for gas consumers falling under the category 'Industrial' was increased to Rs. 600 per MMBTU (as against the previously applicable tariff of Rs. 488.23 per MMBTU notified vide S.R.O. 01(I)/2013 dated January 01, 2013). The said notification was widely challenged by companies operating in the textile industry (including the Holding Company vide Suit No. 129 of 2017) before the 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).

On September 06, 2024, the Sindh High Court declared the impugned notification void ab initio, a decision favourable to the Holding Company. 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 Holding Company duly received the post dated cheques as per Court orders, however, the Federation and other parties then challenged this decision before the Honourable Supreme Court of Pakistan through C.P.L.A No. 1017 of 2025, which has been transferred out to Federal Constitutional Court that remains pending as of the reporting date. In this regard, the reversal of provision is not made as of matter of prudence.

22.3 Workers' Profit Participation Fund payable		2026	2025
		Rupees	
Opening balance		12,355,992	12,355,992
Charge for the year		2,563,374	-
Liability of WPPF written back		(12,247,633)	-
Less: payments during the year		<u>(108,359)</u>	<u>-</u>
		<u>2,563,374</u>	<u>12,355,992</u>

			2026	2025
			Rupees	
22.4	Workers' Welfare Fund payable	<i>Note</i>		
	Opening balance		596,811	3,596,811
	Less: payments during the year		-	(3,000,000)
			<u>596,811</u>	<u>596,811</u>
23.	ACCRUED MARKUP			
	Short term borrowings		18,301,335	22,684,092
	Long term financing - Diminishing Musharaka		-	298,581
			<u>18,301,335</u>	<u>22,982,673</u>
24.	LOANS FROM DIRECTORS AND ASSOCIATES - Unsecured			
	<i>From directors of holding company and sponsors :</i>			
	<i>Unsecured</i>			
	Loan from directors'	18	<u>317,164,051</u>	<u>106,550,000</u>
	<i>From directors of subsidiary companies and their spouses :</i>			
	<i>Unsecured</i>			
	Loan from directors'	18	<u>14,662,071</u>	<u>17,308,577</u>
	Loan from spouses of directors	18	<u>-</u>	<u>3,000,000</u>
			<u>14,662,071</u>	<u>20,308,577</u>
			<u>331,826,122</u>	<u>126,858,577</u>

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

			2026	2025
			Rupees	
25.	CURRENT MATURITY OF LONG TERM FINANCING	<i>Note</i>		
	Current maturity of lease liabilities	18	35,975,428	19,772,249
	Current portion of Diminishing Musharaka	19.1	26,685,243	26,823,365
	Current portion of ITERF	19.2	43,791,137	45,487,661
	Current maturity of deferred government grant	20	9,070,613	11,793,957
	Current maturity of Sindh infrastructure Development Cess	20.3	513,528	-
	Current maturity of Gas Infrastructure Development Cess	20.4	94,959,936	43,523,304
			<u>421,991,770</u>	<u>147,400,536</u>

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 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 up to July 2020).

26.1.2 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.

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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.

These cases have been transferred to the Court of the Senior Civil Judge Karachi and have been assigned new case numbers 7219/2025 and 5046/2025, respectively.

- 26.1.3** The Off the Grid (Captive Power Plants) Levy Ordinance, 2025 was promulgated by the President on 31 January 2025 and subsequently approved by Parliament on 31 May 2025. Under the Ordinance/Act, captive power plants are required to pay a levy to the Federal Government on the consumption of natural gas or RLNG at the rate prescribed under Section 4, as notified by the Federal Government from time to time.

The Off the Grid (Captive Power Plants) Levy Ordinance, 2025 was promulgated by the President on 31 January 2025 and subsequently approved by Parliament on 31 May 2025. Under the Ordinance/Act, captive power plants are required to pay a levy to the Federal Government on the consumption of natural gas or RLNG at the rate prescribed under Section 4, as notified by the Federal Government from time to time.

The Company, along with other affected parties, filed Constitutional Petition No. 1802 of 2025 before the Honourable Sindh High Court, Karachi, on 6 May 2025, challenging the retrospective application of the levy. Pursuant to the interim order dated 6 May 2025, the Company secured the amount demanded for February 2025 by furnishing a bank guarantee of Rs. 9,857,627, equivalent to the levy at Rs. 791 per MMBTU.

During the year, the Honourable Sindh High Court held that the bills issued by SSGC for recovery of the levy retrospectively for periods prior to 7 March 2025 were ultra vires Sections 3 and 4 of the Ordinance/Act. The Court further directed that any amount already collected by SSGC in this respect be credited in the subsequent bill, while amounts deposited or secured with the Nazir of the Court be returned to the respective petitioners.

During the year, SSGC filed an appeal F.C.P.L.A 850/2026 against the decision of the Honourable Sindh High Court before the Federal Constitutional Court. As at the reporting date, the appeal remains pending adjudication.

- 26.1.4** The Holding Company challenged the Off-the-Grid (Captive Power Plants) Levy before the Honourable High Court of Baluchistan, stating that the levy imposes a financial burden on captive power plants due to the inadequate and unreliable supply of grid electricity in the LEIDA Industrial Zone, Baluchistan. During the year, The Honourable High Court initially granted interim relief, subject to submission of post-dated cheques equivalent to the levy amount. Subsequently, the petition was dismissed on the grounds of lack of territorial jurisdiction under Article 199 of the Constitution of Pakistan, without adjudication on the merits of the Company's challenge. Accordingly, the matter remains unresolved on its substantive merits.

Furthermore, the Holding Company, along with other affected parties, challenged the Off-the-Grid (Captive Power Plants) Levy before the Honourable Islamabad High Court by filing Writ Petition No. 871/2026, seeking, inter alia, a declaration that the Off-the-Grid Levy is ultra vires the Constitution of Pakistan. The petition also challenged the notification of levy rates issued for the period from September 2025 to January 23, 2026, in respect of the period from April 2024 to September 2025, and sought an order restraining the respondents from recovering the impugned levy, including the levy reflected in the November 2025 bills issued to the Holding Company. The Holding Company also sought an order restraining Sui Southern Gas Company Limited (SSGC) from recovering the said levy pending adjudication of the petition.

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As at the reporting date, the Holding Company has not recognised any provision in respect of the Off-the-Grid Levy. However, the Holding Company has been charged an amount of Rs. 70.6 million by SSGC in respect of the levy for the period from April 2025 to January 2026, which has been disclosed as a contingent liability in these financial statements. The matter remains subject to the outcome of the ongoing legal proceedings.

- 26.1.5** The Employees' Old-Age Benefits Institution ("EOBI"), vide notice dated 29 January 2024 (Ref. No. 6900/A/2024/071126), raised a demand of Rs. 7,811,547 against the Holding Company for alleged unpaid old-age benefit contributions for the period from July 2013 to June 2023. The demand comprises principal contributions of Rs. 5,207,698 (employer's share: Rs. 4,338,858 and employees' share: Rs. 868,840) and a statutory increase of Rs. 2,603,849 under Section 13 read with Contribution Rule 4 of the Employees' Old-Age Benefits Act, 1976. Subsequently, a Demand Notice, Certificate of Dues and Show Cause Notice were issued for recovery of the amount as arrears of land revenue.

The Holding Company, along with other companies, has challenged the aforesaid proceedings before the Hon'ble High Court of Baluchistan at Quetta through Constitutional Petition No. 439 of 2024, principally on the grounds that the demand was raised without the inquiry required under Section 9(2) of the EOBI Act, 1976 and without lawful authority for determination and recovery of the contributions. Vide order dated 23 April 2024, the Hon'ble High Court admitted the petition and suspended the operation of the impugned Demand Notices until the next date of hearing. The petition remains pending as at the reporting date and, according to the Holding Company's legal counsel, the outcome cannot presently be determined.

26.2	Commitments	Note	2026	2025
			Rupees	
	In respect of:			
	- Irrevocable letters of credit issued for purchase of raw material		120,799,710	-
	- Revolving letter of guarantee issued by commercial banks in favour of Sui Southern Gas Company Limited	26.2.1	84,497,000	64,497,000
	- Off the Grid (Caprivi Power Plants) Levy	26.2.2	-	9,857,630

- 26.2.1** 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.

- 26.2.2** This represents Bank Guarantee against off the grid levy in favour of Sui Southern Gas Company Limited.

27. REVENUE - NET

	Year ended June 30, 2026			
	Textile	Cold Storage and Related Services	Distribution of Products	Total
	Rupees			
Sales during the year:				
- Sale of goods	1,911,859,978	-	570,946,468	2,482,806,446
- Services rendered	212,274,250	38,266,971	-	250,541,221
- Wastage sales	7,958,120	-	-	7,958,120
	<u>2,132,092,348</u>	<u>38,266,971</u>	<u>570,946,468</u>	<u>2,741,305,787</u>
- Commission and discounts	(134,504)	-	(7,390,032)	(7,524,536)
- Sales tax	(329,531,846)	(5,264,634)	(72,493,021)	(407,289,501)
	<u>(329,666,350)</u>	<u>(5,264,634)</u>	<u>(79,883,053)</u>	<u>(414,814,037)</u>
Revenue - net	<u>1,802,425,998</u>	<u>33,002,337</u>	<u>491,063,415</u>	<u>2,326,491,750</u>

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Year ended June 30, 2025

	Textile	Cold Storage and Related Services	Distribution of Products	Total
	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	(435,767,524)	(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>

28. COST OF SALES AND SERVICES

	Note	2026	2025
		Rupees	
Raw and packing materials consumed	28.1	1,197,354,823	1,622,827,648
Cost of finished goods sold	28.2	433,783,231	814,267,776
Manufacturing and services expenses			
Salaries, wages and benefits	28.3	169,594,756	257,738,355
Fuel and power	28.4	126,747,901	288,503,463
Depreciation on operating fixed assets	4.1.1	42,979,624	54,954,404
Stores and spares consumed		24,414,328	58,242,727
Vehicle repairs and maintenance		7,371,501	6,961,352
Repairs and maintenance		7,071,635	11,013,857
Insurance		5,554,978	6,495,031
Rent, rates and taxes		5,360,874	4,390,000
Water expenses		4,950,914	9,424,408
Loading and unloading expenses		4,483,891	4,758,767
Entertainment expenses		1,351,970	1,892,078
Security		1,320,980	287,412
Transportation and conveyance		971,659	2,228,625
Communication expense		358,470	1,681,363
Packing and forwarding		-	817,305
Services procured		-	640,000
Depreciation on right-of-use assets	5	-	6,004,427
Printing and stationary expense		-	258,901
Uniform expense		-	92,800
Miscellaneous expense		142,655	-
Other manufacturing overheads		5,148,550	4,545,996
		<u>407,824,686</u>	<u>720,931,271</u>
Work-in-process - opening stock		21,695,435	27,929,539
Work-in-process - closing stock	9	(17,501,692)	(21,695,435)
		<u>4,193,743</u>	<u>6,234,104</u>
Cost of goods manufactured		<u>2,043,156,483</u>	<u>3,164,260,799</u>
Finished goods - opening stock		72,043,681	87,065,991
Waste material- opening stock		3,628,172	4,433,200
Finished goods - closing stock	9 & 28.4	(96,176,654)	(72,043,681)
Waste material- closing stock	9	(3,490,052)	(3,628,172)
		<u>(23,994,853)</u>	<u>15,827,338</u>
		<u>2,019,161,630</u>	<u>3,180,088,137</u>

		2026	2025
		Rupees	
28.1	Raw and packing materials consumed		
	Opening stock	81,529,920	77,150,516
	Add: Purchases during the period	1,226,772,024	1,627,207,052
		1,308,301,944	1,704,357,568
	Less : Closing stock	(110,947,121)	(81,529,920)
		1,197,354,823	1,622,827,648
28.2	Cost of finished goods sold		
	Opening stock	1,479,695	21,526,878
	Goods purchased during the year	488,638,034	794,220,593
	Goods available for sale	490,117,729	815,747,471
	Closing stock	(56,334,498)	(1,479,695)
	Cost of finished goods sold	433,783,231	814,267,776
28.3	This includes an amount of Rs. 5.5 million (2025: Rs. 9.6 million) in respect of staff retirement benefits.		
28.4	As at the reporting date, an impairment loss of Rs. 10 million has been recognised against finished goods inventory affected by the fire incident.		
28.4	Fuel and power - generation cost	Note	2026 Rupees 2025
	Gas expenses		52,483,621 387,843,036
	Electricity		42,379,919 209,571,967
	Generator operation and maintenance		20,492,592 36,862,036
	Repairs and maintenance		3,867,450 2,279,820
	Depreciation on operating fixed assets	4.1.1	7,058,988 7,053,248
	Insurance		375,418 564,090
	Electricity duty		89,913 283,414
			126,747,901 644,457,611
29.	ADMINISTRATIVE EXPENSES		
	Salaries, wages and other benefits	29.1 & 44.1	22,545,334 34,557,797
	Directors' remuneration	29.2	49,227,208 62,974,459
	Repairs and maintenance		8,022,241 7,526,323
	Legal and professional charges		7,056,046 1,379,120
	Depreciation on operating fixed assets	4.1.1	6,972,403 9,914,872
	Fees and subscription		4,485,853 3,157,834
	Insurance		3,026,221 2,042,130
	Auditors' remuneration	29.3	1,822,000 2,696,650
	Printing and stationery		1,450,200 1,191,969
	Fuel expenses		1,410,957 2,331,184
	Depreciation on right-of-use assets	5	1,305,204 4,041,190
	Entertainment expenses		1,271,382 1,932,187
	IT related service		820,400 600,000
	Water, electricity and gas		610,787 3,467,678
	Security expenses		457,378 388,376
	Travelling and conveyance		336,570 214,450
	Rent, rates and taxes		326,001 2,057,000
	Meeting fee		260,000 260,000
	Communication		134,919 446,097
	Entertainment expense		123,664 116,494
	Miscellaneous		2,033,864 12,913,126
			113,698,632 154,208,936

29.1 This includes an amount of Rs. 4.96 million (2025: Rs. 9.84 million) in respect of staff retirement benefits.

29.2 This includes an amount of Rs. 3.39 million (2025: Rs. 1.22 million) in respect of staff retirement benefits.

29.3	Auditors' remuneration	Note	2026	2025
			Rupees	
	Audit fee (Including consolidation)		1,325,000	2,200,110
	Half yearly review fee		350,000	319,440
	Statutory certifications		92,000	84,700
	Out of Pocket Expenses		55,000	92,400
			<u>1,822,000</u>	<u>2,696,650</u>

30. DISTRIBUTION EXPENSES

Salaries, wages and benefits	30.1	33,281,649	43,992,262
Packing and forwarding expenses		21,985,893	24,822,349
Rents, rates and taxes	44.1	3,391,500	6,002,273
Depreciation on property, plant and equipment	4.1.1	2,674,273	3,476,744
Transportation expense		1,342,730	1,454,327
Communication		894,436	923,312
Insurance expense		680,792	251,990
Sales promotion expenses		505,664	815,028
Repairs and maintenance		435,251	529,938
Security expense		207,750	393,467
Entertainment		169,152	306,523
Fuel expense		-	2,277,828
Utilities		25,357	1,332,561
Marketing & advertisement		-	108,852
Advertisement		-	8,684
Miscellaneous expense		451,498	283,320
		<u>66,045,945</u>	<u>86,979,458</u>

30.1 This includes an amount of Rs. 2 million (2024: Rs. 1.92 million) in respect of staff retirement benefits.

31.	OTHER OPERATING EXPENSES	Note	2026	2025
			Rupees	
	Impairment of assets due to fire	31.1	15,530,641	-
	Debtors written off		10,256,346	2,094,761
	Provision for expected credit losses		176,492	-
	Provision against slow moving items		872,082	-
	Loan to employees written off		58,000	-
	Intangible written off		-	536,854
	Advance against intangible written off		-	1,000,000
			<u>26,893,561</u>	<u>3,631,615</u>

31.1 Impairment of assets due to fire

Stock-in trade (Yarn)	10,585,921	-
Plant and machinery	4,944,720	-
	<u>15,530,641</u>	<u>-</u>

32.	OTHER INCOME	Note	2026	2025
			Rupees	
	Rental income		30,000,600	29,380,000
	Insurance claim	32.1	16,155,210	-
	Commission on sale of live stock		14,959,080	-
	Liability of WPPF written back		12,247,633	-
	Reversal of provision for expected credit losses		4,985,136	1,068,699
	Profit on term deposit		3,234,842	103,251
	Gain on sale of operating fixed assets		2,932,862	324,769,813
	Return on deposits - Islamic bank		980,121	1,177,669
	Liabilities written back		731,793	-
	Profit on saving account		537,415	809,409
	Dividend income		295,105	-
	Profit on Habib Islamic Investment Certificate		112,287	-
	Unrealized gain on short-term investments		31,459	306,516
	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
	Others		391,956	193,701
			<u>87,594,899</u>	<u>369,286,936</u>

32.1 This represents the insurance claim in respect of losses arising from damage to plant and machinery and finished goods (yarn) due to a fire incident at the Holding Company's factory. The Holding Company has lodged the claim with the insurance company for recovery of the related losses. Based on the current status of the claim, the Holding Company expects recovery of the related amount.

33.	FINANCE COSTS	Note	2026	2025
			Rupees	
	Markup and interest charges on:			
	- Long term finances		9,015,207	18,228,602
	- Short term borrowings		84,417,738	156,965,836
	- Markup on lease liability	18	5,203,011	4,956,991
	- Financing under ITERF facility	19.2	26,571,456	23,797,521
	Amortization of deferred government grant		(11,793,960)	(14,280,996)
	Bank charges		919,252	1,130,508
	Unwinding of GIDC liability	20.4	15,263,820	11,711,723
	Guarantee commission		834,837	712,946
	Other Charges		-	100,235
			<u>130,431,361</u>	<u>203,323,366</u>

34.	LEVIES		2026	2025
	Minimum tax under normal tax regime		29,183,083	2,184,683
	Income tax under final tax regime		87,496	-
			<u>29,270,579</u>	<u>2,184,683</u>
	Workers' Profit Participation Fund		2,563,374	-
	Workers' welfare fund		974,082	-
			<u>3,537,456</u>	<u>-</u>
			<u>32,808,035</u>	<u>2,184,683</u>

35.	TAXATION		2026	2025
	Current			
	- for the year		624,889	52,902,269
	- for prior year		125,677	957,027
			<u>750,566</u>	<u>53,859,296</u>
	Deferred		(8,994,945)	38,414,427
			<u>(8,244,379)</u>	<u>92,273,723</u>

- 35.1 The income tax assessments of the Holding Company and Subsidiaries have been finalized up to, and including, the tax year 2025. Tax returns filed by the entities 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 entities for the purpose of re-assessment.

	2026	2025
	Rupees	
36. EARNING PER SHARE		
36.1 Basic earning per share		
Profit attributable to shareholders of the Holding Company	37,850,451	91,443,610
Weighted average number of ordinary shares outstanding during the year	19,965,000	19,965,000
Earnings per share - basic	1.90	4.58

36.2 Diluted earning per share

There is no dilutive effect on the basic earning per share of the Group, since there were no potential shares in issue as at June 30, 2026 and June 30, 2025.

37. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

	Chief Executive		Directors		Executives		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees							
Basic salary	13,096,908	23,179,320	21,930,360	18,154,521	13,845,971	12,216,780	47,826,339	53,990,620
House rent allowance	-	8,994,960	5,582,200	7,066,560	5,357,192	4,740,840	10,939,392	20,796,360
Retirement benefits	3,696,485	1,656,279	2,460,803	1,136,630	4,026,257	1,570,291	10,183,465	4,363,200
Utilities	-	1,539,662	1,502,900	1,212,528	1,442,321	1,276,380	2,945,221	4,628,570
Medical allowance	1,309,892	-	654,540	-	-	-	1,964,432	-
Bonus	-	-	-	-	1,827,826	1,219,500	1,827,826	1,219,500
Meeting Fee	-	-	260,000	260,000	-	-	260,000	260,000
	18,096,485	35,370,221	31,390,803	27,864,238	16,458,667	21,023,791	75,945,873	84,258,250
Number of persons	2	2	3	3	5	5	10	10

- 37.1 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.

	2026	2025
	Number	
38. CAPACITY AND PRODUCTION		
38.1 <u>Textile Segment</u>		
Number of spindles installed	39,588	39,588
Number of spindles operated	39,588	39,588
Installed capacity in Kgs. after conversion into 30 single count	8,596,930	8,476,187
Actual production of yarn in Kgs. after conversion into 30 single count	3,704,910	4,726,276
Number of shifts worked per day	3	3

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

38.2	<u>Cold Storage Segment</u>	2026	2025
		Number	
	Installed Capacity- Pallets	1,500	1,500
	Capacity Utilized- Pallets	1,500	1,500

39. FINANCIAL INSTRUMENTS

39.1 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

39.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of 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	2026	2025
		Rupees	
Long-term deposits		84,097,697	105,534,647
Trade debts	(a)	708,004,081	630,540,919
Deposits		801,409	5,509,087
Loans to employees		3,176,256	4,717,141
Short term investment		45,357,929	11,666,946
Other receivables		160,568,382	432,727,672
Bank balances	(b)	270,364,863	17,640,332
		<u>1,272,370,617</u>	<u>1,208,336,744</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.

Note (a) - Credit risk exposure on trade debts

	2026		2025	
	Gross	Life time expected credit losses	Gross	Life time expected credit losses
	Rupees			
Not past due	546,720,702	-	573,735,133	-
Past due 1 day - 30 days	39,800,910	-	12,178,460	-
Past due 31 days - 180 days	47,389,559	397,262	35,572,034	2,245,600
Above 180 days	75,439,017	948,845	15,210,043	3,909,151
	709,350,188	1,346,107	636,695,670	6,154,751

Based on past experience, consideration of financial position, past track records and recoveries, the Group believes that trade debtors considered good do not require any impairment. Further, substantial amount of debtors have been collected post year end, therefore, expected credit loss has not been considered.

Note 'b' - Credit risk management of bank balances

Bank	Rating agency	Short-term Rating	2026	2025
			Rupees	
United Bank Limited	JCR-VIS	A-1+	202,906,454	34,334
Meezan Bank Limited	JCR-VIS	A-1+	28,905,679	3,277,984
Bank Al-Habib Limited	PACRA	A-1+	10,203,135	2,285,334
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	18,200,000	-
Habib Metropolitan Bank Limited	PACRA	A-1+	5,469,604	9,776,942
Faysal Bank Limited	JCR-VIS	A-1+	1,421,852	4,829
Habib Bank Limited	JCR-VIS	A-1+	984,580	356,892
Bank Alfalah Limited	PACRA	A-1+	885,799	640,958
Dubai Islamic Bank Limited	JCR-VIS	A-1+	658,027	942,374
National Bank of Pakistan Limited	JCR-VIS	A-1+	451,338	42,255
Al-Baraka Bank Limited	JCR-VIS	A-1	202,687	202,722
JS Bank Limited	PACRA	A-1+	75,708	75,708
			270,364,863	17,640,332

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 Group performance to developments affecting a particular industry. As of the reporting date, the Group was exposed to the following concentrations of credit risk:

	30-Jun-26			30-Jun-25		
	Total exposure	Concentration	% of total exposure	Total exposure	Concentration	% of total exposure
	Rupees					
Long term deposit	84,097,697	81,333,221	97%	105,534,647	104,616,021	99%
Trade debts - unsecured	708,004,081	409,431,366	58%	630,540,919	459,737,449	73%
Short term deposits	801,409	801,409	100%	5,509,087	5,509,087	100%
Loans and advances	19,697,058	12,838,507	65%	38,335,971	40,517,023	106%
Other receivables	160,568,382	159,175,430	99%	432,727,672	430,200,273	99%

39.1.2 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	Repayable on demand	Not later than one month	One to three months	Three months to one year	One to five years
	Amount in Rs.						
Lease liability	35,975,428	33,631,163	34,309,673	738,100	1,376,200	7,307,191	-
Long term financing including accrued markup	109,206,213	108,235,121	-	6,308,921	12,308,228	55,313,512	124,214,668
Short term borrowings including accrued markup	777,236,446	743,892,776	16,119,787	21,888,266	448,799,933	165,104,791	-
Trade and other payables	429,126,134	429,126,134	-	-	429,126,134	-	-
Loans from directors and associates	331,826,122	331,826,122	331,826,122	-	-	-	-
Unclaimed dividend	2,005,663	2,005,663	2,005,663	-	-	-	-
	1,685,368,066	1,738,616,879	374,061,245	28,915,287	883,706,455	127,725,492	124,214,668

	June 30, 2025						
	Carrying amount	Contractual cashflows	Repayable on demand	Not later than one month	One to three months	Three months to one year	More than five years
	Amount in Rs.						
Lease liability	33,772,417	31,631,365	15,453,773	67,000	1,342,000	6,542,900	8,521,000
Long term financing including accrued markup	219,812,128	276,902,679	-	6,622,927	12,745,573	56,873,680	200,668,569
Short term borrowings including accrued markup	715,762,066	772,598,645	-	113,896,630	415,188,318	225,563,515	-
Trade and other payables	306,047,481	306,047,481	-	-	306,047,481	-	-
Loans from directors and associates	126,828,377	126,828,377	126,828,377	-	-	-	-
Unclaimed dividend	2,005,663	2,005,663	2,005,663	-	-	-	-
	1,441,258,332	1,518,844,206	144,318,813	141,199,577	735,277,402	287,080,155	211,182,059

39.1.3 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. 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 Group 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).

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Fair value sensitivity analysis for fixed rate instruments

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.

Sensitivity analysis for variable rate instruments

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

	2026	2025	2026	2025
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - Saving account	6%-10%	6%-10%	<u>38,266,668</u>	<u>11,481,436</u>
Term deposit receipt	6%-10%	10%-19.5%	<u>40,000,000</u>	<u>6,450,000</u>
Short term investment	8%-12%	15.5%-17.5%	<u>1,705,555</u>	<u>1,705,555</u>
Financial liabilities				
Short term borrowings	8.85%-15.31%	8.4%-20.89%	<u>708,935,111</u>	<u>733,077,974</u>

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, 2026		
Cash flow sensitivity-Variable rate financial instrument	<u>(6,289,629)</u>	<u>6,289,629</u>
As at June 30, 2025		
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.

39.2 Financial instruments by categories

Financial assets

At amortized cost

	2026	2025
	Rupees	
Long-term deposits	84,097,697	105,534,647
Trade debts	708,004,081	630,540,919
Loan to employees	801,409	5,509,087
Short term trade deposits	3,176,256	4,717,141
Short term investment	41,705,555	8,155,555
Other receivables	160,568,382	432,727,672
Cash and bank balances	<u>271,149,085</u>	<u>21,382,302</u>
	<u>1,269,502,465</u>	<u>1,208,567,323</u>

	2026	2025
	Rupees	
Financial liabilities		
<i>At amortized cost</i>		
Lease liability	35,975,428	30,772,417
Long term financing including mark-up	169,290,213	219,812,128
Short term borrowings	727,236,446	755,762,066
Trade and other payables	429,026,134	306,047,481
Loans from directors and associates	331,826,122	126,858,577
Unclaimed dividend	2,005,663	2,005,663
	<u>1,695,360,006</u>	<u>1,441,258,332</u>

40. FAIR VALUE OF ASSETS AND LIABILITIES

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

The 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, 2026	Level 1	Level 2	Level 3	Total
	Rupees			
<i>Financial assets measured at fair value</i>				
Short term investment in units of mutual funds	3,652,374	-	-	3,652,374
	<u>3,652,374</u>	<u>-</u>	<u>-</u>	<u>3,652,374</u>
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>-</u>	<u>-</u>	<u>3,511,391</u>

41. CAPITAL MANAGEMENT

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

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

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

	2026	2025
	Rupees	
Borrowings:		
Long term financing	188,397,143	256,887,246
Subordinated loan from directors	-	10,800,000
	<u>188,397,143</u>	<u>267,687,246</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
- Unappropriated profit	566,454,562	369,926,167
	<u>862,354,562</u>	<u>798,326,167</u>
Total capital managed by the Group	<u><u>1,050,751,705</u></u>	<u><u>1,066,013,413</u></u>

42. 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

	2026	2025
	Rupees	
Names of related party, relationship with related party		
Mohammad Younus Nawab (Chairman)		
<i>Transactions during the year</i>		
Loan obtained during the year	-	12,000,000
Loan repaid during the year	900,000	23,300,000
<i>Balances as at the year end</i>		
Loan payable	-	900,000
Mohammad Irfan Nawab (CEO)		
<i>Transactions during the year</i>		
Loan obtained during the year	12,200,000	32,550,000
Loan repaid during the year	7,573,679	15,240,000
<i>Balances as at the year end</i>		
Loan payable	46,901,321	42,275,000
Ibrahim Younus (Director)		
<i>Transactions during the year</i>		
Loan obtained during the year	291,729,179	107,350,000
Transferred from subordinated loan	5,400,000	-
Loan repaid during the year	159,745,851	113,292,460
<i>Balances as at the year end</i>		
Loan payable	155,958,328	18,575,000
Loan payable - subordinated	-	5,400,000

KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS

Names of related party, relationship with related party	2026	2025
	Rupees	
Ismail Younus (Director)		
<i>Transactions during the year</i>		
Loan obtained during the year	39,200,000	37,820,000
Transferred from subordinated loan	5,400,000	-
Loan repaid during the year	49,080,655	29,476,077
<i>Balances as at the year end</i>		
Loan payable	7,202,922	11,683,577
Loan payable - subordinated	-	5,400,000
Muhammad Faizanullah (Director)		
<i>Transactions during the year</i>		
Loan obtained during the year	131,700,000	47,450,000
Loan repaid during the year	48,061,449	31,375,000
<i>Balances as at the year end</i>		
Loan payable	111,713,551	28,075,000
Sabiha Younus (Spouse of Chairman / Sponsor)		
<i>Transactions during the year</i>		
Loan obtained during the year	26,580,000	125,100,000
Loan repaid during the year	39,880,000	106,150,000
Rent paid during the year	-	1,034,722
<i>Balances as at the year end</i>		
Loan payable	8,050,000	21,350,000
Afshan Irfan (Spouse of CEO / Sponsor)		
<i>Transactions during the year</i>		
Loan obtained during the year	-	2,300,000
Loan repaid during the year	2,000,000	300,000
Rent paid during the year	-	3,034,722
<i>Balances as at the year end</i>		
Loan payable	2,000,000	4,000,000

43. 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 2026			
	Textile	Cold Storage	Distribution	Total
	Rupees			
Revenue - net	1,802,425,998	33,002,337	491,063,415	2,326,491,750
Cost of sales and services	(1,550,364,750)	(35,013,644)	(433,783,231)	(2,019,161,625)
Gross Profit	252,061,248	(2,011,307)	57,280,184	307,330,125
Administrative expenses	(84,306,575)	(396,456)	(28,995,606)	(113,698,637)
Distribution expenses	(34,136,115)	-	(31,909,830)	(66,045,945)
Other operating expenses	(16,579,215)	(10,256,346)	(58,000)	(26,893,561)
Operating profit / (loss)	117,039,343	(12,664,109)	(3,683,252)	100,691,982
Other income	63,574,363	3,407,980	20,612,555	87,594,899
Finance costs	(129,346,224)	(5,573)	(1,079,564)	(130,431,361)
	(65,771,861)	3,402,407	19,532,992	(42,836,462)
Profit / (loss) before taxation and levies	51,267,482	(9,261,702)	15,849,740	57,855,520
Levies	(26,155,277)	(5,350,854)	(1,301,904)	(32,808,035)
Profit / (loss) before taxation	25,112,205	(14,612,556)	14,547,836	25,047,485
Taxation	10,137,721	(582,734)	(1,310,608)	8,244,379
Profit / (loss) after taxation	35,249,926	(15,195,290)	13,237,228	33,291,864
OTHER INFORMATION				
Segment assets	2,597,517,765	148,965,989	252,296,501	2,998,780,255
Total assets				2,998,780,255
Segment liabilities	1,956,075,362	54,329,108	54,329,108	2,064,733,578
Total liabilities				2,064,733,578
Capital expenditure	107,839,561	2,283,157	275,700	110,398,418
Total capital expenditure				110,398,418
Depreciation	50,291,216	494,654	3,145,634	53,931,504

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Description	June 30 2025			
	Textile	Cold Storage	Distribution	Total
	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)	(146,257,539)	(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				2,884,522,975
Segment liabilities	1,698,451,642	155,747,232	155,747,232	2,009,946,106
Total liabilities				2,009,946,106
Capital expenditure	4,221,847	2,283,157	275,700	6,782,704
Total capital expenditure				6,782,704
Depreciation	61,386,758	10,076,765	3,941,473	75,404,996

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44. GENERAL

44.1 Corresponding figures

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

Reclassified from component	Reclassified to component	Note	— Rupees —
Long term deposits and prepayments (Utility companies)	Long term deposits and prepayments (Banking companies)	7	<u>11,097,000</u>
Deposits and short term prepayments (Cash margin against bank guarantee)	Long term deposits and prepayments (Banking companies)	7	<u>10,000,000</u>
Long term advance (Advance to supplier)	Long term deposits and prepayments (Rental deposit)	6	<u>690,373</u>
Loans and advances (Advance to supplier)	Long term deposits and prepayments (Fuel card deposit)	6	<u>115,753</u>
Long term advance (Advance to supplier)	Long term deposits and prepayments (Long term prepayments)	6	<u>1,162,627</u>
Loans and advances (Advance to supplier)	Long term deposits and prepayments (Advance to supplier)	7	<u>3,000,000</u>
Loans and advances (Advance to supplier)	Loans and advances (Advance to contractor)	11	<u>18,445,333</u>
Loans and advances (Advance to supplier)	Loans and advances (Advance to contractors)	11	<u>20,536,297</u>
Trade and other payables (Creditors)	Loans and advances (Advance to contractors)	11	<u>1,001,360</u>
Deposits and short term prepayments (Prepayments)	Loans and advances (Advance to supplier)	11	<u>450,839</u>
Deposits and short term prepayments (Advance to supplier)	Loans and advances (Advance against expenses)	11	<u>2,122,300</u>
Deposits and short term prepayments (Prepayment - insurance)	Loans and advances (Advance against expenses)	11	<u>1,523,666</u>
Other receivables (Other parties)	Other receivables (Shams yarn merchant)	11	<u>78,531</u>
Loans and advances (Loans to employees)	Trade and other payables (Creditors)	11	<u>55,230</u>
Loans and advances (Advance to supplier)	Deposits and short term prepayments (Other - prepayments)	12	<u>2,540,125</u>
Trade and other payable (Creditors)	Trade deposits and short term prepayments (Prepayments)	12	<u>33,014</u>
Loans and advances (Advance to supplier)	Other receivable (Tuzail cattle farm)	14	<u>1,277,149</u>
Loans and advances (Advance to supplier)	Other receivable (Other Parties)	14	<u>241,953</u>
Tax refunds due from government (Sales tax refundable)	Trade and other payables (Sales tax payable)	22	<u>45,556,180</u>
Trade and other payables (Payable to provident fund)	Payable to provident fund (Payable to provident fund)	22	<u>12,974,895</u>
Loans and advances (Advance to supplier)	Trade and other payables (Accrued liabilities)	22	<u>262,626</u>
Trade and other payables (Security deposit payable)	Trade and other payables (Others)	22	<u>750,000</u>
Trade and other payables (Creditor)	Trade and other payables (Accrued expenses)	22	<u>7,659,011</u>
Selling and distribution expense (Salaries wages & other benefits)	Administrative Expenses (Salaries wages & other benefits)	29	<u>1,260,000</u>
Administrative Expenses (Rent, rates and taxes)	Selling and distribution expense (Rent, rates and taxes)	30	<u>1,627,499</u>

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44.2 Number of employees

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

	2026	2025
	Number	
Total number of employees as at year	78	104
Average number of employees during the year	79	136

44.3 Shariah compliance status disclosure

	2026	2025
	Number	
Statement of financial position - Liabilities		
<i>Financing facility from banks as per Islamic mode:</i>		
- Long-term financing	169,290,213	219,513,547
- Short-term financing	708,935,111	733,077,974
- Lease financing	-	-
- Mark-up accrued	18,301,335	22,982,673
<i>Financing facility from banks as per Conventional mode:</i>		
- Long-term financing	-	-
- Short-term financing	-	-
- Lease financing	-	-
- Mark-up accrued	-	-
<i>Financing facility from directors as per Islamic mode:</i>		
- Loan from directors and sponsors	331,826,122	137,658,577
- Lease financing	35,975,428	30,772,417
Statement of financial position - Asset		
<i>Investments as per Islamic mode:</i>		
- Short-term investment	45,357,929	11,666,946
- Long-term investment	-	-
- Bank balance / TDR	267,594,149	15,275,102
Statement of profit and loss		
- Revenue earned from Shariah compliant business segment	2,326,491,750	3,445,163,962
- Break-up of late payments or liquidated damages	-	-
- Dividend earned from Shariah compliant investments	295,105	-
- Gain or loss or dividend earned on Shariah compliant investments	-	-
- Share of profit from Shariah-compliant associates	-	-
- Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs	4,864,665	2,090,329
- Exchange gain earned from actual currency	-	-
- Exchange gains earned using conventional derivative financial instruments	-	-
- Profit paid on Islamic mode of financing	98,114,283	209,985,495
- Total Interest earned on any conventional loan or advance	-	-
Source and detailed breakup of other income		
<i>Shariah-compliant other income:</i>		
- Rental income	30,000,000	29,380,000
- Gain on sale of fixed assets	2,932,862	324,769,813
- Commission on sale of live stock	14,959,080	-
<i>Not compliant other income:</i>		
- Insurance claim	16,155,210	3,675,835

Relationships with Shariah - compliant financial institutions, including banks, takaful operators and their windows, etc.	Habib Metropolitan Bank Limited
	Dubai Islamic Bank Pakistan Limited
	United Bank Limited
	Habib Bank Limited
	Bank AL Habib Limited
	Meezan Bank Limited
	Standard Chartered Bank (Pakistan) Limited
	National Bank of Pakistan
	Al Baraka Bank (Pakistan) Limited
	Faysal Bank Limited
	Bank Alfalah Limited

44.2 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 02 OCT 2026.

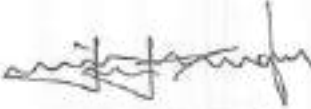
44.3 Level of rounding

Figures have been rounded off to the nearest rupee.

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Chief Executive



Director



Chief Financial Officer

SANA INDUSTRIES LIMITED**as at June 30, 2026****Pattern of Shareholdings**

# Of Shareholders	Shareholdings' Slab			Total Shares Held
233	1	to	100	4,024
126	101	to	500	42,191
44	501	to	1000	35,146
94	1001	to	5000	245,938
25	5001	to	10000	169,349
12	10001	to	15000	148,238
10	15001	to	20000	176,219
6	20001	to	25000	136,593
7	25001	to	30000	203,388
2	30001	to	35000	66,238
3	35001	to	40000	114,484
1	40001	to	45000	44,933
3	45001	to	50000	142,375
1	60001	to	65000	61,000
1	70001	to	75000	70,189
2	100001	to	105000	202,880
1	110001	to	115000	112,794
1	125001	to	130000	125,666
1	145001	to	150000	149,500
2	160001	to	165000	321,948
1	170001	to	175000	170,187
1	185001	to	190000	185,242
1	245001	to	250000	250,000
1	400001	to	405000	403,065
1	440001	to	445000	444,572
1	445001	to	450000	450,000
1	495001	to	500000	498,946
2	540001	to	545000	1,081,692
1	550001	to	555000	553,466
1	615001	to	620000	619,321
1	880001	to	885000	881,461
1	920001	to	925000	921,308
1	1325001	to	1330000	1,326,192
1	4665001	to	4670000	4,666,275
1	4940001	to	4945000	4,940,180
591				19,965,000

SANA INDUSTRIES LIMITED

Pattern of Shareholding

As of June 30, 2026

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MR. 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	619,715	3.10
General Public			
a. Local	560	4,821,018	24.15
b. Foreign	12	3,376	0.02
Others	8	1,580,383	7.92
Totals	591	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, 2026 or at any adjournment thereof.

Signed this _____ day of _____ 2026.

Signature of Proxy _____

Folio No. of Shareholder _____

No. of Shares held _____

Signature on
Rs.5/-
Revenue Stamp

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.