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COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Registered Office

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

Auditors

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

Bankers

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

H.R. & Remuneration Committee

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

C.F.O./Company Secretary

Mr.Abdul Hussain Antaria

Mills

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

Legal Advisors

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

Share Registrars

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the Shareholders of the Company will, Insha-Allah be held on Wednesday, the 26th of October, 2016 at 4.00 P.M at the Company's Office, situated at 33-D-2, Block 6, P.E.C.H.S., Karachi to transact the following business:-

ORDINARY BUSINESS

- (1) To read and confirm the minutes of 30th Annual General Meeting held on 30th October, 2015.
- (2) To receive and adopt the Audited accounts of the Company for the year ended 30th June, 2016, together with the Auditors' Report and Directors' Report thereon.
- (3) To consider and approve Cash dividend of 35% for the year ended 30th June, 2016 as recommended by the Directors.
- (4) To appoint Auditors of the Company and fix their remuneration for the year ended 30th June, 2017. The present Auditors M/s. Muniff Ziauddin & Co., Chartered Accounts retire and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

- (5) To consider and approve increase in remunerations of the Chief Executive and other full time working Directors of the Company.
- (6) To transact any other business with the permission of the Chair.

A statement of material facts under Section 160(1)(b) of the Companies Ordinance, 1984 relating to the special businesses to be transacted is sent to all the Shareholders with the Notice of this AGM.

By Order of the Board

Karachi: 29th September, 2016

(Abdul Hussain Antaria)
CFO & Company Secretary

NOTES

1. The share transfer books of the Company shall remain closed from 19-Oct-2016 to 26-Oct-2016 (both days inclusive), and the final dividend will be paid to the Shareholders whose names will appear in the Register of Members on 18-Oct-2016.
2. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf. A proxy need not be a member of the Company.
3. Duly completed Forms of Proxy must be deposited with the Company Secretary at the office of the Company situated at 33-D-2, Block-6, P.E.C.H.S., Karachi (Phone No.34322556-59) not later than 48 hours before the time of meeting.

4. Shareholders (Non CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s. Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block B, SMCHS, Karachi. All the Shareholders holding their shares through the CDC are requested to please update their addresses and Zakat with their Participants. This will assist in prompt receipt of Dividend.
5. Members who have not yet submitted photocopy of their Computerized National Identity Card to the Company are requested to send the same at the earliest.
6. CDC account holders will further have to follow the guidelines as laid down in Circular 1 dated 28th January, 2000, issued by the Securities and Exchange Commission of Pakistan.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

A Statement under Section 160(1)(b) of the Companies Ordinance, 1984 pertaining to the Resolution is appended below:

AGENDA NO.5 - REMUNERATION OF DIRECTORS

The Shareholders' approval is sought for the increase in remuneration of the following Directors:

<u>NAME OF DIRECTOR</u>	<u>PRESENT SALARY</u>	<u>PROPOSED INCREMENT</u>	<u>NEW SALARY AFTER INCREMENT</u>
(1) Mr.Mohammed Younus Nawab	Rs.325,000	Rs.150,000	Rs.475,000
(2) Mr.Mohammed Irfan Nawab	Rs.500,000	Rs.150,000	Rs.650,000
(3) Mr.Ibrahim Younus	Rs.300,000	Rs.150,000	Rs.450,000
(4) Mr.Ismail Younus	Rs.175,000	Rs.150,000	Rs.325,000
(5) Mr.Mohammed Faizanullah	Rs.175,000	Rs.150,000	Rs.325,000

For the purpose, it is proposed that the following Resolution be passed, with or without modification, by the Shareholder as an ordinary Resolution.

RESOLVED that the Company hereby approves and authorizes payment of monthly remunerations (salary) together with other benefits, in accordance with the Rules of the Company, be paid to the following full time working Directors of the Company, with effect from 1st July, 2016:

- | | |
|---|---|
| (a) Mr.Mohammed Younus Nawab, Chairman : | Rs.475,000/- plus free use of Company's maintained Car. |
| (b) Mr.Mohammed Irfan Nawab, Chief Executive: | Rs.650,000/- plus free use of Company's maintained Car. |
| (c) Mr.Ibrahim Younus, Director : | Rs.450,000/- plus free use of Company's maintained Car. |
| (d) Mr.Ismail Younus, Director : | Rs.325,000/- plus free use of Company's maintained Car. |
| (e) Mr.Mohammed Faizanullah, Director : | Rs.325,000/- plus free use of Company's maintained Car. |

The working Directors are interested in the Resolution to the extent of their respective remunerations.

DIRECTORS' REPORT

The Directors take pleasure in submitting their Report together with the Audited Accounts of the Company for the year ended 30th June, 2016.

FINANCIAL RESULTS

The Consolidated Financial Results of the Company for the year ended 30th June, 2016 are summarized below:-

		Rupees
Profit for the period before taxation		83,553,569
Less: Provision for taxation- current	15,786,603	
- prior years	(30,595)	
- deferred (current)	3,055,790	
	<u> </u>	18,811,798
Profit after taxation		<u>64,741,771</u>
Earning per Share before tax		<u>9.72</u>
Earning per share (basic and diluted) after taxation		<u>7.53</u>
OTHER COMPREHENSIVE INCOME		
Net Profit for the year		64,741,771
Re-measurements of staff employment benefit	(44,719,890)	
Related deferred tax	14,310,365	
	<u> </u>	(30,409,525)
Total comprehensive income for the year		<u>34,359,803</u> =====

The consolidated profit before taxation for the current year has registered a decrease of Rs.52.31 million from Rs.135.87 million to Rs.83.55 million (38.50%), the profit after taxation has also decreased from Rs.89.55 million to Rs. 64.74 million, a decrease of Rs.24.81 million (27.71%). Provision of current years' deferred taxation amounting to Rs.3.06 million has been provided. The earnings per Share has decreased from Rs.10.42 to Rs.7.53, a decrease of Rs.2.89 (27.71%), due to various reasons enumerated in the following paras. In order to facilitate our Shareholders following comparisons of operating and financial data are annexed.

- | | |
|---|---------|
| (a) Comparison with last year | Annex-A |
| (b) Comparison with previous quarter | Annex-B |
| (c) Quarter-wise comparison of Balance Sheets | Annex-C |
| (d) Quarter-wise comparison of Profit & Loss accounts | Annex-D |
| (e) Statistical summary of key operating and financial data of last 6 years | Annex-E |

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

- (1) Sales of Yarn, in Rupee terms, has registered an increase of Rs.68.47 million (4.41%), due to increase in quantity sold, in quantitative terms it has increased by 654,848 Kilos (14.60%). The Gross Profit amount has however decreased by Rs.64.90 million (33.92%), GP Rate has decreased by 4.44% due to decrease in selling price of yarn. The net profit, before taxation, of Rs.106.86 million has also decreased to Rs.36.54 million, a decrease of Rs.70.32 million (65.81%).
- (2) The production of Yarn, in quantitative terms has increased from 4,322,648 Kilos to 5,193,630 Kilos i.e., by 870,983 Kilos (20.15%), due to modernization of Plant.
- (3) The average cost of raw-materials consumed has decreased by Rs.13.85 Per Kilo (6.68%) due to international decrease in prices of raw-materials.
- (4) The cost of manufacturing over heads has decreased from Rs.98.90 per Kilo to Rs.93.30 per Kilo (5.66%), significant increase / decreases on this account are attributed to the following heads:
 - (a) Salaries and wages increased by Rs.34.54 million due to mandatory increase in salary rates of the workers, but on per kilo basis it has decreased by 0.41 per Kilo (-0.97%) due to enhanced production.
 - (b) Fuel and Power increased by Rs.20.29 million, but decreased by Rs.1.66 Per Kilo (5.00%) due to increase in production.
 - (c) Doubling Services procured increased by Rs.0.71 per kg, due to increase in quantity of yarn for doubling.
 - (d) Repair and maintenance (including stores and spares) decreased by Rs.4.14 million or Rs.3.00 per Kilo (22.88%), due to modernization of Plant.
- (5) The Selling and Distribution expenses have increased by Rs.2.01 million due to increase in quantity sold.
- (6) The General and Administration expenses have increased by Rs.12.17 million (50.43%) and on per kilo basis by Rs.1.41 per kilo due to increase in rent expenses and depreciation.
- (7) The financial charges have decreased by Rs.7.76 million due to reduction in rate of profit.
- (8) The Workers' Profit Participation Fund and Workers' Welfare Fund have decreased by Rs.3.05 million and Rs.1.16 million respectively, due to decrease in net profit.
- (9) The net profit of last year, before tax (Textile Segment), of Rs.106.86 million has decreased to Rs.36.54 million (65.81%).
- (10) The net profit of last year, before tax (Cold Storage segment), of Rs.33.85 million has however increased to Rs.43.53 million (28.59%).
- (11) The 'Consolidated amount of net profit' of last year, before tax of Rs.135.87 million has substantially decreased to Rs.83.55 million (38.50%) due to stock losses and economic conditions, especially in textile sector.
- (12) The 'Consolidated amount of net profit' of last year, after tax of Rs.89.55 million has also decreased to Rs.64.74 million (27.71%) due to reasons stated in the above para.

(13) The period of trade debts (receivable) has increased from 38 days to 43 days.

(14) The inventory of raw-materials has decreased from 60 days to 38 days.

(15) The inventory of finished goods has decreased from 34 days to 32 days.

Future Prospects

The Management is not very optimistic about the future profitability of the Company due to overall depressive market conditions especially in the textile sector, which do not seem to improve in the near future.

Board of Directors

The present Board of Directors who were elected on 3rd December, 2013, will continue to hold the office up to 3rd December, 2016.

Auditors

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

Pattern of Holding of Shares

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

Dividend and Notice of Book Closure

Your Directors have decided to recommend payment of a Final Cash Dividend @ Rs.3.50 per Share (35%). The distribution this year comes to 46.42% of the current year's after tax earnings.

The Final Dividend will be paid to the shareholders, whose name appears in the Register of Members on 18/10/2016. The share transfer book of the Company will remain closed from 19/10/2016 to 26/10/2016 (both days inclusive). Transfers received in order at the office of the Registrar, Central Depository Company of Pakistan Limited at the close of business on 18/10/2015 will be treated in time for the purpose of payment of Dividend to the Transferees.

Corporate and Financial Reporting Framework

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

(1) The financial statement present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.

(2) The Company has maintained proper books of account.

(3) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

(4) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

(5) The system of internal control is of sound design and has been effectively implemented and monitored.

(6) There are no significant doubts upon the Company's ability to continue as a going concern.

(7) There has been no material departure from the best practices of corporate governance, as detailed in the Stock Exchange's Listing Regulations.

(8) The Company operates an approved gratuity fund, being administered by a gratuity fund trust, covering all its employees who have completed their qualifying period. The Project Unit Credit Actuarial Cost Method (PUC) was used for calculating the accounting entries, which method is mandated under the latest version of IAS-19. The most recent actuarial valuation of the scheme was carried out as at 30th June, 2016. Following are the significant assumption used for the valuation of scheme:

	30-Jun-2016	30-Jun-2015
Valuation discount rate	7.25% p.a	9.75% p.a
Salary increase	7.25% p.a	8.25% p.a
Expected rate of return on Plan Assets	7.25% p.a	9.75% p.a

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

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

(a) Investment in Shares of listed companies	Rs.35,242,212/=
(b) Investment in Mutual Funds	Rs. 8,155,929/=
(c) Receivables	Rs. 51/=
(c) Bank balances	Rs. 65,785/=
Total of assets / investments as on 30/6/2016	Rs. 43,463,977/=

(9) Elections of Directors was held in the Extra-ordinary General Meeting held on 3/12/2013, in accordance with the provisions of Section 178 of the Companies Ordinance, 1984 for a term of three years, commencing from 3/12/2013. A total of 12 Meetings of the Board of Directors were held during the financial year ended 30th June, 2016. Number of Meeting attended by each Directors are stated their against:

Name of Directors	Number of Meeting Attended
(1) Mr. Mohammed Younus Nawab	12 out of 12 meetings
(2) Mr. Mohammed Irfan Nawab	11 out of 12 meetings
(3) Mr. Ibrahim Younus	12 out of 12 meetings
(4) Mr. Ismail Younus	12 out of 12 meetings
(5) Mr. Mohammed Faizanullah	11 out of 12 meetings
(6) Mr. Ilyas Abdul Sattar	11 out of 12 meetings
(7) Mr. Mohammed Khalid Yousuf	12 out of 12 meeting

The Company is in the process to gradually increase the number of non-executive Directors.

(10) No trades in the shares of the Company were carried out by its Directors, CEO, Company's Secretary and their spouses and minor children during the current financial year.

Personnel

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

On behalf of the Board

(Mohammed Irfan Nawab)
Chief Executive.

Karachi: 29th September, 2016.

Annexure to Directors' Report
(Rupees in millions)

Comparison with last year

Annexure A

Covering period FROM TO	01-Jul-2015 30-Jun-2016	01-Jul-2014 30-Jun-2015	VARIATION	
			Amount	Percentage
Sales - net	1,791.12	1,695.87	95.25	5.62%
Cost of Sales	1,813.75	1,469.13	144.62	9.84%
Gross Profit	177.37	226.74	(49.37)	-21.77%
G.P.Rate to Sales	9.90%	13.37%		-3.47%
Administrative, Selling, Financial & Other expenses	97.09	96.43	0.66	0.68%
Other income	3.28	5.56	(2.28)	-41.05%
Net profit before taxation	83.55	135.87	(52.31)	-38.50%
N.P.Rate to Sales	4.66%	8.01%		-3.35%
Provision for Taxation	18.82	46.31	(27.49)	-59.36%
Profit after Taxation	64.73	89.56	(24.82)	-27.72%
Earning per share (before tax)	9.72	15.81	(6.09)	-38.52%
Earning per share (after tax)	7.53	10.42	(2.89)	-27.74%
Statement of Comprehensive income				
Profit after tax	64.73	89.56	(24.82)	-27.72%
Remeasurement of defined benefit liability	(44.72)	9.65	(54.37)	-563.42%
Related Deferred Tax	14.31	(3.19)	17.50	-548.60%
Total comprehensive income	34.36	96.02	(61.66)	-64.21%

Comparison with previous quarter

Annexure B

Covering period FROM TO	01-Apr-2016 30-Jun-2016	01-Jan-2016 31-Mar-2016	VARIATION	
			Amount	Percentage
Turnover - net	431.28	420.58	10.70	2.54%
Cost of Sales	425.60	369.71	55.89	15.12%
Gross Profit	5.68	50.87	(45.19)	-88.84%
G.P.Rate to Sales	1.32%	12.10%	(0.11)	-89.12%
Administrative, Selling, Financial & Other expenses	22.44	22.40	0.04	0.19%
Other income	1.26	0.23	1.02	443.52%
Net profit before taxation	(15.50)	28.70	(44.21)	-154.01%
N.P.Rate to Sales	-3.59%	6.83%		-10.42%
Provision for Taxation	(8.13)	8.22	(16.35)	-198.94%
Profit after Taxation	(7.37)	20.49	(27.86)	-135.98%
Earning per share (before tax)	(1.80)	3.34	(5.14)	-154.01%
Earning per share (after tax)	(0.86)	2.38	(3.24)	-136.04%

Annexure "C"

COMPARISON OF BALANCE SHEET OF FOUR QUARTERS

	1ST QUARTER 30-Sep-2015 Rupees	2ND QUARTER 31-Dec-2015 Rupees	3RD QUARTER 31-Mar-2016 Rupees	4TH QUARTER 30-Jun-2016 Rupees
ASSETS				
NON CURRENT ASSETS				
Property, Plant and equipments	431,504,813	429,768,221	432,888,516	495,181,253
Investments	-	-	-	-
Long-term deposits	1,213,251	1,213,251	1,217,651	1,213,251
	<u>432,718,064</u>	<u>430,981,472</u>	<u>434,106,167</u>	<u>496,394,504</u>
CURRENT ASSETS				
Stock-in-trade	282,983,691	226,834,244	231,971,700	228,031,479
Trade debts- unsecured, considered good	230,074,162	271,299,261	293,348,840	259,094,056
Advances	9,363,344	8,072,541	12,698,190	29,930,847
Deposits and pre-payments	5,598,027	7,772,368	2,843,187	837,265
Other receivables	49,546,313	46,084,441	45,930,608	16,154,906
Taxation - net	-	-	-	17,464,046
Cash and bank balances	33,977,308	50,083,110	11,863,348	40,065,539
	<u>611,542,845</u>	<u>610,145,965</u>	<u>598,655,873</u>	<u>591,578,138</u>
TOTAL ASSETS	<u>1,044,260,909</u>	<u>1,041,127,437</u>	<u>1,032,762,040</u>	<u>1,087,972,642</u>
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share Capital	85,937,500	85,937,500	85,937,500	85,937,500
Reserves	337,447,361	289,259,089	309,757,397	272,029,318
	<u>423,384,861</u>	<u>375,196,589</u>	<u>395,694,897</u>	<u>357,966,818</u>
Attributable to equity holders of the parent	<u>423,384,861</u>	<u>375,196,589</u>	<u>395,694,897</u>	<u>357,966,818</u>
Non-controlling interest	-	5,080,680	5,114,991	5,081,148
	<u>423,384,861</u>	<u>380,277,270</u>	<u>400,809,888</u>	<u>363,047,966</u>
NON CURRENT LIABILITIES				
Diminishing Mushareqa	38,773,896	31,043,508	24,132,737	68,236,148
Staff benefits	714,426	498,927	466,644	-
Deferred taxation	45,910,389	44,601,718	44,982,778	46,418,060
	<u>85,398,711</u>	<u>76,144,153</u>	<u>69,582,159</u>	<u>114,654,208</u>
CURRENT LIABILITIES				
Trade and other payables	87,515,037	96,695,150	96,687,100	133,494,057
Accrued profit	8,107,909	7,723,791	6,145,927	7,163,997
Borrowings from Directors and related parties	22,050,000	50,550,000	57,950,000	36,844,435
Current portion of diminishing mushreqa arrangements	44,577,108	40,630,146	35,863,563	49,422,617
Morabaha Arrangements	368,714,174	382,371,433	359,417,871	383,345,362
Taxation - net	4,513,109	6,735,494	6,305,531	-
	<u>535,477,337</u>	<u>584,706,015</u>	<u>562,369,993</u>	<u>610,270,468</u>
CONTINGENCIES AND COMMITMENTS	-	-	-	-
TOTAL EQUITY AND LIABILITIES	<u>1,044,260,909</u>	<u>1,041,127,437</u>	<u>1,032,762,040</u>	<u>1,087,972,642</u>
Debt Equity Ratio	16.78%	16.87%	14.95%	24%
Current Ratio	1.14	1.04	1.06	0.97

COMPARISON OF PROFIT & LOSS ACCOUNT OF FOUR QUARTERS.

	1ST QUARTER 30-Sep-2015 Rupees	2ND QUARTER 31-Dec-2015 Rupees	3RD QUARTER 31-Mar-2016 Rupees	4TH QUARTER 30-Jun-2016 Rupees	Y. T. D. 30-Jun-2016 Rupees
Net turnover	443,168,508	496,089,584	420,578,353	431,281,217	1,791,117,662
Cost of sales	(376,765,662)	(441,674,435)	(369,708,341)	(425,601,961)	(1,613,750,419)
Gross profit	66,402,846	54,415,149	50,870,012	5,679,256	177,367,243
G.P. Rate	14.98%	10.97%	12.10%	1.32%	9.90%
Selling and distribution expenses	(2,515,755)	(3,049,179)	(2,611,558)	(2,954,145)	(11,130,637)
General and administration expenses	(8,307,753)	(11,081,311)	(9,173,499)	(10,392,526)	(38,955,089)
Other operating expenses	(3,305,963)	(2,216,971)	(2,178,646)	1,039,612	(6,661,968)
Other operating income / (loss)	376,584	1,411,884	231,062	1,255,878	3,275,408
Operating profit	52,649,959	39,479,572	37,137,371	(5,371,945)	123,894,957
Finance cost	(10,336,565)	(11,441,006)	(8,432,592)	(10,131,225)	(40,341,388)
Profit for the period before taxation	42,313,394	28,038,566	28,704,779	(15,503,171)	83,553,569
Provision for taxation - current	(12,635,026)	(6,835,424)	(7,781,593)	13,465,440	(15,786,603)
- prior year	-	30,595	-	-	30,595
- deferred (current)	1,340,773	1,308,672	(381,060)	(5,324,175)	(3,055,790)
	(11,294,253)	(7,496,157)	(8,162,653)	8,141,265	(18,811,798)
Profit after taxation	31,019,141	20,542,409	20,542,126	(7,361,906)	64,741,771
Earning per share before taxation - restated	4.92	3.26	3.34	(1.80)	9.72
Earning per share after taxation - restated	3.61	2.39	2.39	(0.86)	7.53

SANA INDUSTRIES LIMITED

Statistical summary of key operating & financial data for last six years

Annexure E

(Rupees in Millions)

YEAR END	Jun-2016	Jun-2015	Jun-2014	Jun-2013	Jun-2012	Jun-2011
OPERATING RESULTS						
Turnover	1,791.12	1,695.87	1,382.87	1,195.06	1,012.72	965.67
Gross profit	0.10	226.74	176.22	148.49	133.14	145.79
Operating expenses	53.47	35.79	32.76	26.95	21.45	21.11
Operating profit	123.89	190.95	143.46	121.54	111.69	124.68
Financial charges	40.34	50.23	35.64	29.06	26.98	21.84
Profit before tax	83.55	135.87	106.61	87.07	76.28	105.64
Taxation	18.82	46.31	26.84	24.65	20.49	36.79
Profit after tax	64.73	89.56	79.77	62.42	55.79	68.85
FINANCIAL POSITION						
Paid-up Capital	85.94	85.94	85.94	68.75	68.75	55.00
Retained earnings	272.03	306.43	274.86	236.64	211.82	209.11
Total equity	357.97	392.37	360.80	305.39	280.57	264.11
Long term loans	68.24	48.17	54.16	12.25	4.23	10.58
Deferred taxation & staff benefits	46.42	48.49	42.10	30.43	19.39	18.49
Current liabilities	610.27	496.56	442.30	319.91	273.70	222.48
Total assets	1,087.97	985.59	899.36	668.00	577.82	515.66
Fixed assets (Gross)	1,045.98	874.84	771.85	708.28	632.85	585.16
Accumulated depreciation	550.79	491.48	444.29	469.54	436.94	407.49
Fixed assets (Net)	495.18	383.36	327.56	238.74	195.91	177.67
Long term deposits	1.21	1.17	1.09	1.09	0.85	0.70
Current assets	591.58	595.61	558.80	423.61	380.60	336.13
RATIOS						
Fixed Assets Turnover	3.62	4.42	4.22	5.01	5.17	5.44
Trade Debts (days)	43	38	51	42	51	50
Inventory turnover (times)	6.67	5.59	4.93	5.08	5.06	2.79
Inventory turnover (days)	55	65	74	72	72	131
Sales growth %	5.62%	22.63%	15.72%	18.00%	4.87%	35.41%
Gross profit margin %	0.01%	13.37%	12.74%	12.43%	13.15%	15.10%
Total charges as % to sales	5.24%	5.69%	5.54%	5.26%	5.78%	5.26%
Net profit before tax % to sales	4.66%	8.01%	7.73%	7.29%	7.53%	10.94%
Tax rate (Effective) %	32.00%	33.00%	34.00%	35.00%	35.00%	35.00%
Net profit after tax (% to sales)	3.61%	5.28%	5.77%	5.22%	5.51%	7.13%
Return on Capital % (after tax)	75.32%	104.21%	92.82%	90.79%	81.15%	125.18%
Return on Equity % (after tax)	18.08%	22.83%	22.11%	20.44%	19.88%	26.07%
Earning per share pre-tax	9.72	15.81	12.41	12.66	11.10	19.21
Earning per share after tax	7.53	10.42	9.28	7.27	8.12	12.52
Break-up value per share	41.65	45.66	41.98	44.42	40.81	48.02
Debt Equity Ratio	24:76	20 : 80	20 : 80	9 : 91	7 : 93	10 : 90
Current Ratio	1:09	1.20	1.26	1.32	1.39	1.51
Quick Ratio	0.59	0.68	0.65	0.64	0.69	0.81
DISTRIBUTION						
Dividend per share Rs.	3.50	8.00	7.50	5.00	6.50	7.50
Stock Dividend	Nil	Nil	Nil	25%	Nil	25%
Dividend payout	46%	77%	81%	103%	80%	80%

**Statement of Compliance with the Code of
Corporate Governance**

Sana Industries Limited
For the year ended June 30, 2016

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

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

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

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

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

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

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

Chairman /CEO

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Sana Industries Limited ("the company") for the year ended June 30, 2016 to comply with the requirements of rule 5.19 of the listing rulebook of the Pakistan Stock Exchange where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the company's personnel and review of various documents prepared by the company to comply with the Code. As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the company's corporate governance procedures and risks.

The Code requires the company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.


Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the note reference where these are stated in the Statement of Compliance:

Note

reference Description

- | | |
|----|--|
| 1 | As per the requirement of 5.19.1 (d) the executive directors, i.e., paid executives of the company from among senior management, shall not be more than one third of the elected directors, including the Chief Executive; the company has more executive directors than the threshold as above. |
| 15 | As per the requirement of 5.19.6 (a) the Audit Committee should have at least three members comprising of non-executive directors. However, the company has only two non-executive directors including the independent director. |

KARACHI: 29 SEP 2016


MUNIFF ZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(Muhammad Moin Khan)

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed unconsolidated balance sheet of **Sana Industries Limited ("the Company")** as at June 30, 2016 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

1. As disclosed in note 18.3 to the financial statements, the Company has utilized and retained the amount of Rs 27,600,000 pertaining to gratuity fund.
 - (a) In our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
 - (b) In our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
 - c) In our opinion, except for the effects of the matter described in paragraph 1 above, and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, gives the information required by the Companies Ordinance, 1984, in the manner so required and, give a true and fair view of the state of the company's affairs as at June 30, 2016 and of the profit, its cash flow and changes in equity for the year then ended; and
 - (d) In our opinion Zakat deductible at source under the Zakat and Ushr Ordinance 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KARACHI:

29 SEP 2016

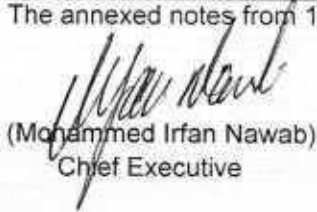
MUNIFF ZIAUDDIN & CO.
CHARTERED ACCOUNTANTS
(Muhammad Moin Khan)

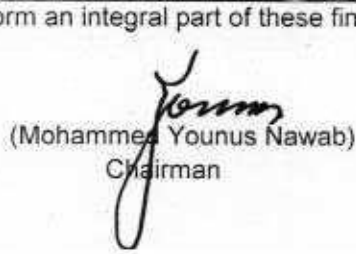
SANA INDUSTRIES LIMITED
UNCONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2016

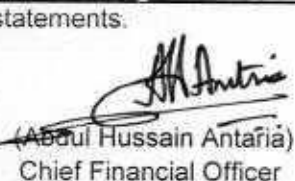
	Note	2016 Rupees	2015 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	495,181,253	388,820,426
Long-term deposits		1,213,251	1,168,120
Investments	8	4,900,000	-
		501,294,504	389,988,546
CURRENT ASSETS			
Stock-in-trade	9	228,031,479	255,810,567
Trade debts - unsecured	10	259,094,056	214,011,518
Loans and advances	11	29,930,847	13,478,472
Trade deposits and short-term prepayments	12	837,265	1,527,998
Other receivables	13	16,154,906	49,219,151
Taxation - net		17,382,902	620,751
Cash and bank balances	14	40,059,805	60,936,663
		591,491,260	595,605,120
TOTAL ASSETS		1,092,785,764	985,593,666
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital			
8,593,750 (June 30, 2015: 8,593,750)			
Ordinary shares of Rs. 10/- each	15	85,937,500	85,937,500
General reserves		132,500,000	132,500,000
Unappropriated profit		139,538,023	173,928,220
Shareholders' equity		357,975,523	392,365,720
NON CURRENT LIABILITIES			
Long-term musharaka	16	68,236,148	48,169,065
Deferred liabilities	17	46,418,060	48,494,701
		114,654,208	96,663,766
CURRENT LIABILITIES			
Trade and other payables	18	133,464,057	86,877,055
Finance cost payable	19	7,163,997	7,424,022
Loans from directors and associates	20	46,760,000	5,000,000
Current portion of long-term musharaka	16	49,422,617	45,246,288
Short term morabaha	21	383,345,362	352,016,815
		620,156,033	496,564,180
CONTINGENCIES AND COMMITMENTS			
	22		
TOTAL EQUITY AND LIABILITIES		1,092,785,764	985,593,666

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

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(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016


	Note	2016 Rupees	2015 Rupees
Turnover	23	1,791,117,662	1,695,868,172
Cost of sales and services	24	(1,613,750,419)	(1,469,130,442)
Gross profit		<u>177,367,243</u>	<u>226,737,730</u>
Distribution expenses	25	(11,130,637)	(8,958,550)
Administrative expenses	26	(38,760,769)	(26,823,857)
		(49,891,406)	(35,782,407)
Other income	27	3,118,053	5,556,638
Other operating expense	28	(6,661,968)	(10,411,768)
		(3,543,915)	(4,855,129)
Operating profit		<u>123,931,922</u>	<u>186,100,193</u>
Finance costs	29	(40,341,388)	(50,234,566)
Profit before taxation		<u>83,590,534</u>	<u>135,865,628</u>
Taxation	30	(18,821,206)	(46,310,627)
Profit after taxation		<u>64,769,328</u>	<u>89,555,000</u>
Earning per share - Basic and diluted	31	<u>7.54</u>	<u>10.42</u>

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

MZ


(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

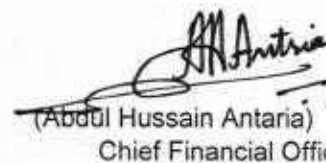
	2016 Rupees	2015 Rupees
Net profit for the year	64,769,328	89,555,000
Remeasurements of staff employment benefit	(44,719,890)	9,653,647
Related deferred tax	14,310,365	(3,185,704)
	(30,409,525)	6,467,943
Total comprehensive income for the year	34,359,803	96,022,944

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


(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman

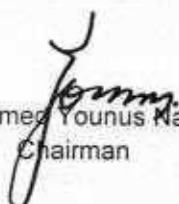

(Abdul Hussain Antaria)
Chief Financial Officer


SANA INDUSTRIES LIMITED
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before taxation		83,590,534	135,865,628
Adjustments for:			
Depreciation		62,876,721	53,684,631
Gain on sale of fixed assets		(2,016,550)	(4,251,018)
Profit on bank accounts		(1,101,503)	(1,305,620)
Provision for staff benefits		1,265,806	751,069
Finance costs		40,341,388	50,234,566
Operating profit before working capital changes		184,956,396	234,979,256
Increase in current assets	32.1	(36,808,607)	23,718,015
Increase in current liabilities	32.2	46,712,509	28,615,310
Cash generated from operations		194,860,298	287,312,580
Finance costs paid		(40,601,413)	(51,393,136)
Income taxes paid		(32,527,567)	(40,877,880)
Staff benefits paid		-	(472,117)
Long-term deposit		(45,131)	(82,670)
Net cash inflow from operating activities		121,686,187	194,486,777
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(169,850,999)	(105,869,716)
Investment in associates		(4,900,000)	-
Profit received on bank accounts		1,101,503	1,147,756
Proceeds from sale of property, plant and equipment		2,630,000	7,096,712
Net cash used in investing activities		(171,019,496)	(97,625,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts under short-term morabaha		31,328,547	29,140,983
Receipts under long-term musharaka		24,243,412	10,400,137
Borrowings / (repayments) from directors and associates		41,760,000	(19,200,000)
Dividend paid		(68,875,507)	(63,977,749)
Net cash inflow from financing activities		28,456,452	(43,636,628)
Net (decrease) / increase in cash and cash equivalents		(20,876,858)	53,224,900
Cash and cash equivalents at beginning of the year		60,936,663	7,711,763
Cash and cash equivalents at the end of the year	14	40,059,805	60,936,663

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


(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

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SANA INDUSTRIES LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Sub - total	Total
		General reserves	Un-appropriated profit	(Rupees)		
Balance as at 30 June, 2014	85,937,500	132,500,000	142,358,401	292,045,901	360,795,901	
Transactions with owners:						
Final dividend for the year ended June 30, 2014 @ Rs. 7.5 per share	-	-	(64,453,125)	(64,453,125)	(64,453,125)	
Bonus Share for the year ended June 30, 2014	-	-	-	-	-	
Profit after taxation for the year ended June 30, 2015	-	-	89,555,000	89,555,000	89,555,000	
Other comprehensive income	-	-	6,467,943	6,467,943	6,467,943	
	-	-	96,022,944	96,022,944	96,022,944	
Balance as at 30 June, 2015	85,937,500	132,500,000	173,928,220	323,615,720	392,365,720	
Transactions with owners:						
Final dividend for the year ended June 30, 2015 @ Rs. 8 per share	-	-	(68,750,000)	(68,750,000)	(68,750,000)	
Profit after taxation for the year ended June 30, 2016	-	-	64,769,328	64,769,328	64,769,328	
Other comprehensive income	-	-	(30,409,525)	(30,409,525)	(30,409,525)	
	-	-	34,359,803	34,359,803	34,359,803	
Balance as at 30 June, 2016	85,937,500	132,500,000	139,538,023	289,225,523	357,975,523	

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


(Mohammed Irfan Nawab)
Chief Executive


(Muhammad Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1 NATURE OF BUSINESS

Sana Industries Limited (the Company) was incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange. The Company is engaged in the following activities.

- i) manufacturing and sale of man-made blended yarn;
- ii) providing services in respect of cold storage through "compartmentalized cold store project";
- iii) food stuff (processing of ready to eat meals).

The registered office of the Company is located at 33-D-2, Block 6, PECHS, Karachi, Pakistan.

During the year, the Company made an investment in its newly incorporated subsidiary Sana Greens (Private) Limited amounting to Rs. 4.9 million.

2 BASIS OF PREPARATION

2.1 Unconsolidated financial statements

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

2.2 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the provisions of the Companies Ordinance, 1984 (the Ordinance) and the requirements of the Ordinance and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where the requirements of the Ordinance or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Ordinance or the directives issued by the SECP shall prevail.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost convention.

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

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

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

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

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Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 Share-based Payment (Amendments)	January 1, 2018
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Amendments)	January 1, 2016
IFRS 10 Consolidated Financial Statements	January 1, 2016
IFRS 11 Joint Arrangements (Amendments)	January 1, 2016
IFRS 12 Disclosure of Interests in Other Entities (Amendments)	January 1, 2016
IFRS 14 Regulatory Deferral Accounts	January 1, 2016
IFRS 15 Revenue from Contracts with Customers	January 1, 2018
IFRS 16 Leases	January 1, 2019
IAS 1 Presentation of Financial Statements	January 1, 2016
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2017
IAS 12 Income Taxes (Amendments)	January 1, 2017
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2016
IAS 19 Employee Benefits (Amendments)	January 1, 2016
IAS 27 Separate Financial Statements (Amendments)	January 1, 2016
IAS 28 Investments in Associates and Joint Ventures (Amendments)	January 1, 2016
IAS 38 Intangible Assets (Amendments)	January 1, 2016

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

In addition to the above amendments and interpretations, improvements to the following accounting standards have also been issued by IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2015.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 13 Fair value measurement	January 1, 2015

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

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5 SIGNIFICANT ACCOUNTING POLICIES

5.1 Property, plant and equipment

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

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

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

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

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

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

5.2 Borrowing costs

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

5.3 Stock-in-trade

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

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

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

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5.4 Stores and spares

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

5.5 Trade debts and other receivables

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

5.6 Cash and cash equivalents

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

5.7 Long and short-term borrowings

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

5.8 Trade and other payables

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

5.9 Provisions

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

5.10 Financial instruments

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

5.11 Offsetting of financial assets and financial liabilities

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

5.12 Employee benefits

5.12.1 Compensated absences

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

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5.12.2 Defined benefit scheme

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

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

5.13 Taxation

Current

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

Deferred

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

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

5.14 Revenue recognition

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

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

Profit on bank accounts is recognised on accrual basis.

5.15 Foreign currency translation

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

5.16 Segment reporting

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

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

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

5.17 Related party transactions

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

5.18 Dividend and appropriation to reserves

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

5.19 Investments in subsidiary and associated company

Investments in subsidiary and associated company are carried at cost less impairment, if any. Impairment losses are recognized as an expense. At each reporting date, the Company reviews the carrying amounts of investments and its recoverability to determine whether there is an indication that such investments have suffered an impairment loss. If any such indication exists, the carrying amount of the investments is adjusted to the extent of impairment loss which is recognized as an expense in profit or loss account.

6 ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

Property, plant and equipment

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

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 17.4.5 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might effect unrecognized gains and losses in those years. The actuarial valuation involves making assumptions about discount rate, future salary increases, mortality rates, withdrawal rates and normal retirement age.

Taxation

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

Stock-in-trade

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

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7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

Note	2015 Rupees	2015 Rupees
7.1	495,181,253	383,351,624
	-	5,468,802
	<u>495,181,253</u>	<u>388,820,426</u>

7.1 Operating fixed assets

2016	PARTICULARS	COST				ACCUMULATED DEPRECIATION				BOOK VALUE AS AT JUNE 30, 2016
		AS AT JULY 01, 2015	ADDITIONS (DELETIONS)	AS AT JUNE 30, 2016	RATE % per annum	AS AT JULY 01, 2015	ADJUSTMENTS DEPRECIATION ON DISPOSAL	FOR THE YEAR	AS AT JUNE 30, 2016	
	Leasehold land	12,095,494	34,936,567	47,032,061	-	-	-	-	-	47,032,061
	SF/96 Premises (Tenancy Rights)	5,000,000	-	5,000,000	-	-	-	-	-	5,000,000
	Building on leasehold land	132,939,217	55,543,665	188,482,882	10	70,049,684	-	10,944,642	80,994,326	107,488,556
	Electrification - Factory Building	11,978,319	4,066,088	16,044,407	10	9,804,037	-	968,819	10,772,856	5,271,551
	Office Premises SF/96	12,593,585	117,778	12,711,363	10	6,051,221	-	1,021,681	7,072,902	5,638,461
	Plant and machinery	640,452,039	66,325,958	706,777,996	10	381,169,849	-	41,058,892	422,228,741	284,549,255
	Handling equipments	18,770,619	2,256,414	21,027,033	10 & 20	7,061,192	-	1,948,151	9,009,343	12,017,690
	Furniture, fixtures and office equipments	6,785,003	4,438,623 (45,000)	11,178,626	10	4,013,735	(1,500)	583,530	4,595,765	6,582,861
	Lab Equipment	311,295	-	311,295	10 & 20	93,389	-	62,259	155,648	155,647
	Vehicles	31,115,532	7,348,023 (4,134,580)	34,328,975	20	11,473,178	(3,564,630)	6,001,725	13,910,273	20,418,702
	Computers & software	2,601,271	286,685	2,887,956	20	1,574,471	-	287,022	1,861,493	1,026,463
	Plastic Crates	193,425	-	193,425	50	193,419	-	-	193,419	6
	JUNE 30, 2016 - Rupees	874,835,799	175,319,801	1,045,976,019		491,484,175	(3,566,130)	62,876,721	550,794,766	495,181,253
	Disposals		(4,179,580)							

2015	PARTICULARS	COST				ACCUMULATED DEPRECIATION				BOOK VALUE AS AT JUNE 30, 2015
		AS AT JULY 01, 2014	ADDITIONS (DELETIONS)	AS AT JUNE 30, 2015	RATE % per annum	AS AT JULY 01, 2014	ADJUSTMENTS ON DISPOSAL	DEPRECIATION FOR THE YEAR	AS AT JUNE 30, 2015	
	Leasehold land	12,095,494	-	12,095,494	-	-	-	-	-	12,095,494
	SF/96 Premises (Tenancy Rights)	5,000,000	-	5,000,000	-	-	-	-	-	5,000,000
	Building on leasehold land	120,182,723	12,756,494	132,939,217	10	60,341,562	-	9,708,022	70,049,684	62,889,533
	Electrification - Factory Building	11,937,623	40,696	11,978,319	10	8,953,638	-	850,399	9,804,037	2,174,282
	Office Premises SF/96	12,043,585	550,000	12,593,585	10	5,087,484	-	963,737	6,051,221	6,542,364
	Plant and machinery	559,990,763	83,186,276 (2,725,000)	640,452,039	10	348,428,280	(1,792,083)	34,533,652	381,169,849	259,282,190
	Handling equipments	18,102,279	668,340	18,770,619	10 & 20	5,074,078	-	1,987,114	7,061,192	11,709,427
	Furniture, fixtures and office equipments	6,372,426	627,776 (215,199)	6,785,003	10	3,610,004	(27,074)	430,805	4,013,736	2,771,268
	Lab Equipment	311,295	-	311,295	10 & 20	31,130	-	62,259	93,389	217,906
	Vehicles	23,877,041	13,582,433 (6,343,942)	31,115,532	20	11,155,964	(4,626,330)	4,943,544	11,473,178	19,642,354
	Computers & software	1,745,268	908,803 (52,800)	2,601,271	20	1,415,132	(45,760)	205,099	1,574,471	1,026,800
	Plastic Crates	193,425	-	193,425	50	193,419	-	-	193,419	6
	JUNE 30, 2015 - Rupees	771,851,922	112,320,818 (9,336,941)	874,835,799		444,290,791	(6,491,247)	53,684,631	491,484,175	383,351,624
	Disposals									

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

	Note	2016 Rupees	2015 Rupees
Manufacturing and services expenses	24	44,094,865	40,865,138
Fuel and power	24.1	13,620,830	9,143,437
Distribution expenses	25	20,601	13,554
Administration expenses	26	5,140,425	3,662,502
		62,876,721	53,684,631

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

DESCRIPTION	DATE/YEAR OF ACQUISITION	ORIGINAL COST	ACCUMULATED DEPRECIATION	BOOK VALUE	SALE PROCEEDS	GAIN/ (LOSS)	MODE OF DISPOSAL	PARTICULARS OF BUYERS
Vehicles								
TOYOTA HARRIER BD-4949	21-Nov-2011	2,849,741	2,279,792	569,949	1,630,000	1,060,051	Negotiation	Mr. Mohammed Kashif Block-2, P.E.C.H.S Khalid Bin Waheed Road, Karachi
MAZDA TRUCK JY-2542	1-Jun-2010	1,284,839	1,284,838	1	1,000,000	999,999	Negotiation	Messrs. Burag Transport House # 315, Usmania Colony Nazimabad, Karachi
Furniture, Fixture & Office Equipments								
SAMSUNG S5 (IBRAHIM A.Z)	30-Mar-2015	45,000	1,500	43,500	-	(43,500)	Theft	Snarich
TOTAL		4,179,580	3,566,130	613,450	2,630,000	2,016,550		MZ

	Note	2016 Rupees	2015 Rupees
8 LONG TERM INVESTMENT			
Subsidiary company - at cost			
Sana Greens (Private) Limited			
490,000 ordinary shares of Rs. 10/- each		4,900,000	-
Equity held : 49%			
Break up value as per latest financial statement is Rs. 9.96			
		<u>4,900,000</u>	<u>-</u>
9 STOCK-IN-TRADE			
Raw and packing materials	9.1	80,672,780	125,946,993
Work-in-process		28,079,306	24,105,087
Finished goods		118,838,483	105,192,116
Waste stock		440,910	566,370
		<u>228,031,479</u>	<u>255,810,567</u>
9.1 Raw and packing materials			
In hand		72,337,421	112,715,098
In transit		8,335,359	13,231,895
		<u>80,672,780</u>	<u>125,946,993</u>
10 TRADE DEBTS			
Unsecured			
Considered good		259,094,056	214,011,518
		<u>259,094,056</u>	<u>214,011,518</u>
11 LOANS AND ADVANCES			
Loans to employees - secured	11.1	3,299,200	2,795,866
Advance against purchase of Land		10,000,000	5,000,000
Unsecured advances to:			
- Contractors		300,000	664,119
- against imports and local purchases		16,331,647	5,018,487
		<u>16,631,647</u>	<u>5,682,606</u>
		<u>29,930,847</u>	<u>13,478,472</u>
11.1 These represent interest free loans to employees for personal use in accordance with the Company's policy and are secured against balance of gratuity fund. These are recoverable in equal monthly installments.			
12 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposits		108,000	851,131
Prepayments		729,265	676,867
		<u>837,265</u>	<u>1,527,998</u>

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	Note	2016 Rupees	2015 Rupees
13 OTHER RECEIVABLES			
Sales tax refundable		14,572,625	11,249,768
Staff employment benefit	17.3	-	36,807,761
Others		1,582,281	1,161,622
		<u>16,154,906</u>	<u>49,219,151</u>
14 CASH AND BANK BALANCES			
<i>With banks - Conventional banking</i>			
- in current accounts		2,207,067	1,518,915
- in PLS accounts		-	-
		2,207,067	1,518,915
<i>With banks - Islamic banking</i>			
- in current accounts		14,905,594	47,138,705
- in PLS accounts	14.1	22,452,016	11,556,753
		37,357,610	58,695,457
Cash in hand		495,128	722,290
		<u>40,059,805</u>	<u>60,936,663</u>

14.1 These carry profit at the average rate of 4.08 % per annum (2015: 4.69% per annum).

15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2016 No. of shares	2015 No. of shares	Note	2016 ------(Rupees)-----	2015 ------(Rupees)-----
4,000,000	4,000,000	Ordinary shares of Rs.10/- fully paid cash	40,000,000	40,000,000
4,593,750	4,593,750	Ordinary shares of Rs.10/- issued fully paid bonus shares	45,937,500	45,937,500
<u>8,593,750</u>	<u>8,593,750</u>		<u>85,937,500</u>	<u>85,937,500</u>

16 LONG-TERM MUSHARAKA

Secured - Under shariah arrangement

Meezan Bank Limited	16.1	211,501	5,734,151
Habib Metropolitan Bank Limited	16.2	40,072,158	61,994,089
Standard Chartered Bank	16.3	77,375,106	25,687,114
Less: Current portion		(49,422,617)	(45,246,288)
		<u>68,236,148</u>	<u>48,169,065</u>

DIMINSHING MUSHARAKA DISCLOSURE

Date of Disbursement	Nature of Asset	Amount Disbursed	Profit Rate	Floor	Celling	Principal Outstanding as at June 30, 2016	Ending Date
23-Mar-13	Savo spare parts	8,249,108	6M KIBOR + 2.25%	12%	24%	211,501	11-Jul-18
						211,501	

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16.2 HABIB METROPOLITAN BANK:

27-Dec-13	Spare parts spindle bolster	2,779,814	6M KIBOR + 2%	12%	18%	1,352,344	26-Nov-17
12-Dec-13	Ring spinning frame	6,289,240	6M KIBOR + 2%	12%	18%	3,049,899	26-Nov-17
02-Jan-14	Generator WALKESHA	31,121,334	6M KIBOR + 2%	12%	18%	13,177,503	17-Sep-17
10-Jan-14	Spare parts steel ring & rubber apron	1,258,414	6M KIBOR + 2%	12%	18%	812,202	26-Nov-17
12-Sep-15	Generator WALKESHA	30,295,680	6M KIBOR + 2%	10%	17%	21,880,210	12-Jul-18
						40,072,168	

16.3 STANDARD CHARTERED BANK:

14-Oct-13	Racking systems, blast freezers and accessories	9,900,000	1M KIBOR + 2%	-	-	990,000	12-Sep-16
27-Dec-13	Panel machines for cooling system and accessories	10,472,000	1M KIBOR + 2%	-	-	1,047,101	27-Sep-16
02-Mar-14	Reach trucks and other expansion work at AZ	11,000,000	1M KIBOR + 2%	-	-	2,199,992	02-Dec-16
02-Sep-14	Cool chain machinery, Racking Door cut	12,324,823	1M KIBOR + 2%	-	-	4,792,923	27-Aug-17
22-Apr-16	Steel Building for AZ	12,445,000	1M KIBOR + 1.75%	-	-	12,445,000	22-Apr-19
22-Apr-16	Civil work for AZ	18,000,000	1M KIBOR + 1.75%	-	-	18,000,000	23-Apr-19
23-Apr-16	Steel Building for AZ	10,900,000	1M KIBOR + 1.75%	-	-	10,900,000	24-Apr-19
11-May-16	D.G. Set of 320 KVA, Wooden pallets, Cool chain machinery and equipment, Local purchases and Steel building for AZ	27,000,000	1M KIBOR + 1.75%	-	-	27,000,000	11-May-19
						77,376,106	

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

	Note	2016 Rupees	2015 Rupees
17 DEFERRED LIABILITIES			
Provision for compensated absences	17.1	1,386,068	1,243,538
Deferred taxation	17.2	35,996,588	47,251,163
Staff retirement benefits	17.3	9,035,404	-
		<u>46,418,060</u>	<u>48,494,701</u>
17.1 Provision for compensated absences			
Balance at beginning of the year		1,243,538	964,586
Charge for the year		952,568	751,069
Benefits paid during the year		(810,038)	(472,117)
Balance at end of the year		<u>1,386,068</u>	<u>1,243,538</u>
17.2 Deferred taxation			
Deferred tax (asset) / liability on account of:			
- accelerated depreciation		37,340,569	34,284,779
Remeasurement of defined benefit plans - O.C.I component		(1,343,981)	12,966,384
		<u>35,996,588</u>	<u>47,251,163</u>
17.3 Staff retirement benefits			
Balance sheet Reconciliation			
Present value of defined benefit obligation	17.4.2	(52,499,381)	(40,091,714)
Fair value of plan assets	17.4.3	43,463,977	76,899,475
		<u>(9,035,404)</u>	<u>36,807,761</u>

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	Note	2016 Rupees	2015 Rupees
17.4 Movement			
Balance at beginning of the year		36,807,761	27,115,988
(Expense) / Income for the year	17.4.1	(1,123,275)	(147,044)
Other comprehensive income		(44,719,890)	9,653,647
Contribution		-	185,170
Balance at end of the year		<u>(9,035,404)</u>	<u>36,807,761</u>
17.4.1 Charge for defined benefit plan			
Current Service cost		3,366,531	2,955,268
Interest cost		(2,243,256)	(2,808,224)
		<u>1,123,275</u>	<u>147,044</u>
The charge for the year has been allocated as follows:			
Cost of sales and services:			
Manufacturing and service expenses		174,023	100,573
Fuel and power		488,121	2,459
		662,144	103,032
Distribution costs		85,228	6,965
Administrative expenses		375,903	37,047
		<u>1,123,275</u>	<u>147,044</u>
17.4.2 Movement in the present value of defined benefit obligations			
Balance at beginning of the year		40,091,714	31,291,361
Current service cost		3,366,531	2,955,268
Interest cost		3,833,159	4,111,246
Benefits paid during the year		(1,554,531)	(1,675,376)
Paid to the company		(27,600,000)	-
Actuarial loss		34,362,508	3,409,215
Balance at end of the year		<u>52,499,381</u>	<u>40,091,714</u>
17.4.3 Movement in the fair value of plan assets			
Balance at beginning of the year		76,899,475	58,407,349
Expected return on plan assets		6,076,415	6,919,470
Amount paid by Company to the fund		-	185,170
Benefits paid		(1,554,531)	(1,675,376)
Amount received by the company from the fund		(27,600,000)	-
Actuarial gain / (loss)		(10,357,382)	13,062,862
Balance at end of the year		<u>43,463,977</u>	<u>76,899,475</u>

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	Note	2016 Rupees	2015 Rupees
17.4.4 Remeasurement recognised in other comprehensive income			
Remeasurement of present value of defined benefit obligation		(34,362,508)	(3,409,215)
Remeasurement of present value of fair value of plan assets		(10,357,382)	13,062,862
Remeasurements		<u>(44,719,890)</u>	<u>9,653,647</u>

17.4.5 Principal actuarial assumptions used in the actuarial valuation

Actuarial valuation of the scheme is carried on every year and the latest actuarial valuation was carried out at June 30, 2016. The significant assumptions used for actuarial valuation were as follows:

	2016	2015
Withdrawal Rates	Moderate	Moderate
Mortality Rates	Adjusted SLIC 2001-05	Adjusted SLIC 2001-05
Expected rate of increase in future salaries - per annum	7.25%	8.25%
Discount rate - per annum	7.25%	9.75%
Expected rate of return on plan assets	7.25%	9.75%
Normal Retirement age	60 years	60 years

17.4.6 Comparison for five years

	2016	2015	2014	2013	2012
As at June 30,					
Present value of defined benefit obligations	52,499,381	40,091,714	31,291,361	21,894,564	23,589,094
Fair value of plan assets	(43,463,977)	(76,899,475)	(58,407,349)	(23,026,256)	(36,346,872)
(Surplus) / Deficit	9,035,404	(36,807,761)	(27,115,988)	(306,098)	(11,405,401)
Re-measurement Loss/(Gain) on Obligation	34,362,508	3,409,215	1,221,234	(1,868,405)	-
Re-measurement (Gain)/Loss on Plan Asset	10,357,382	(13,062,862)	(16,368,523)	8,842,313	-

17.4.7 Sensitivity analysis for actuarial assumptions

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

Particulars	PVDBO (Amount of PKR)	PVDBO change (%)
Current Liability	52,499,381	
+1% Discount Rate	48,692,060	7.3%
-1% Discount Rate	59,008,339	-12.4%
+1% Salary Increase Rate	59,195,798	-12.8%
-1% Salary Increase Rate	48,545,498	7.5%
+10% Withdrawal Rate	51,449,393	2.0%
-10% Withdrawal Rate	53,549,369	-2.0%
1 Year Mortality age set back	51,554,392	1.8%
1 Year Mortality age set forward	53,444,370	-1.8%

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	Note	2016 Rupees	2015 Rupees
17.4.8 Major categories / composition of plan assets			
Equity securities and units of mutual funds		43,463,977	75,558,726
Bank balances		-	1,340,749
		<u>43,463,977</u>	<u>76,899,475</u>

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

The return on plan assets was assumed to equal the discount rate. Actual loss on plan assets during the year was Rs. 2,882,351/- (2015: Gain Rs.2,993,394/-)

18 TRADE AND OTHER PAYABLES

Creditors		25,543,922	9,964,983
Accrued expenses		21,897,056	24,996,597
Gas Infrastructure Development Cess (GIDC)	18.1	32,720,594	22,046,105
Workers' Profits Participation Fund	18.2	18,580,042	18,603,266
Workers' Welfare Fund		1,705,929	2,770,149
Sales tax payable		2,247,699	1,278,829
Unclaimed dividend		1,869,184	1,994,691
Payable to gratuity fund	18.3	27,600,000	-
Others		1,299,630	5,222,435
		<u>133,464,057</u>	<u>86,877,055</u>

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

18.2 Workers' Profit Participation Fund

Balance at beginning of the year		18,603,266	14,189,321
Payments made during the year		(5,616,000)	(3,976,883)
		<u>12,987,266</u>	<u>10,212,438</u>
Allocation for the year		4,489,288	7,296,620
Finance charge on WPPF		1,103,489	1,094,208
Balance at end of the year		<u>18,580,042</u>	<u>18,603,266</u>

- 18.3 The Company has utilized and retained the above amount from the Gratuity Fund for Company's business without charging interest thereon.

19 FINANCE COST PAYABLE

Accrued morabaha profit		6,953,687	7,240,915
Accrued diminishing musharaka profit		210,310	183,107
		<u>7,163,997</u>	<u>7,424,022</u>

	Note	2016 Rupees	2015 Rupees
20 LOANS FROM DIRECTORS AND ASSOCIATES - unsecured			
Borrowings from directors	20.1	36,760,000	5,000,000
Borrowings from Sana Greens (Private) Limited	20.2	10,000,000	-
		<u>46,760,000</u>	<u>5,000,000</u>
20.1	This represents short-term interest free borrowings from directors to meet working capital requirements. The comparative amount of Rs. 5,000,000 represented short-term interest free borrowings from director for purchase of land which was repaid during the year.		
20.2	This represents short-term interest free borrowings from the associated company to meet working capital requirements.		
21 SHORT-TERM MORABAHA			
<i>Secured - Under shariah arrangement</i>			
Habib Metropolitan Bank Morabaha	21.1	257,168,384	233,532,345
Standard Chartered Bank Morabaha	21.2	126,176,978	118,484,470
		<u>383,345,362</u>	<u>352,016,815</u>
21.1	Short-term Morabaha arrangement had been obtained from a commercial bank for the regular purchases of raw material. The banks has approved a facility of Rs.270 (2015: Rs.270 million). The effective rate of profit on Morabaha facility ranges between 8.09% to 11.29% , based on 6 months KIBOR + 2.00% per annum. The arrangement is secured against first charge over stocks and receivables, land, building and plant & machinery (except assets financed under diminishing musharaka by another financial institution) located at H.I.T.E., Hub, Baluchistan, execution of promissory notes and personal guarantees of three directors of the Company.		
21.2	Short-term Morabaha arrangement has been obtained for the regular purchases of raw material. The bank has approved limit of Rs.134 million (2015:Rs 134 million). The effective rate of profit on Murabaha facility ranges between 7.58% to 10.24% (based on 3 months KIBOR + 1.75% per annum). The arrangement is secured against first charge over Stocks and receivables, Land, Building and Plant & Machinery (except assets financed under Diminishing Mushareka by another financial institution) located at H.I.T.E., Hub, Baluchistan, execution of promissory notes and personal guarantees of three directors of the Company.		
22 CONTINGENCIES AND COMMITMENTS			
22.1 Commitments			
Irrevocable letter of credits		29,639,634	34,905,612
Capital expenditure		-	50,000,000
Letter of guarantee issued by a commercial bank		20,638,018	9,647,460
Custom duty, sales tax, FED and Income tax on goods in transit		727,990	2,126,744
22.2 Contingencies			
There were no contingencies as at balance sheet date. (2015: nil).			

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	Note	2016 Rupees	2015 Rupees
23 TURNOVER			
Textile			
Manufacturing			
- local		1,595,434,579	1,546,221,167
- export		-	-
Trading		22,370,155	2,085,811
Waste stock		4,295,570	5,496,432
		<u>1,622,100,304</u>	<u>1,553,803,410</u>
Less: Commission and discounts		(2,082,197)	(2,255,296)
<i>Cold storage</i>		163,127,178	143,255,548
Food stuff division			
- local		7,972,377	936,170
- export		-	128,340
		<u>1,791,117,662</u>	<u>1,695,868,172</u>
24 COST OF SALES AND SERVICES			
Raw and packing material consumed			
Opening stock		112,715,098	78,174,519
Purchases		994,008,451	933,859,423
Closing stock		(72,337,421)	(112,715,098)
		1,034,386,128	899,318,845
Manufacturing and services expenses			
Fuel and power	24.1	201,249,954	184,369,861
Salaries, wages and benefits		249,966,547	210,908,459
Repairs and maintenance		58,002,703	60,356,331
Stores and spares consumed		-	-
Insurance		4,758,686	4,329,870
Rent, rates and taxes		569,487	471,854
Depreciation	7.2	44,094,865	40,865,138
Security		4,158,403	3,703,157
Others		34,058,772	28,251,465
		<u>596,859,417</u>	<u>533,256,135</u>
		1,631,245,545	1,432,574,980
Work-in-process			
Opening		24,105,087	17,810,247
Closing		(28,079,306)	(24,105,087)
		(3,974,219)	(6,294,840)
Finished goods and waste stock			
Opening		105,758,486	148,608,788
Purchases		-	-
Closing		(119,279,393)	(105,758,486)
		<u>(13,520,907)</u>	<u>42,850,302</u>
		<u>1,613,750,419</u>	<u>1,469,130,442</u>

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	Note	2016 Rupees	2015 Rupees
24.1 FUEL AND POWER			
Generation cost:			
Salaries, wages and benefits		2,927,246	2,438,967
Fuel expenses		133,559,199	117,403,780
Electricity		24,946,851	25,639,690
Oil and lubricants		16,716,791	20,492,387
Repairs and maintenance		8,622,867	8,674,022
Depreciation	7.2	13,620,830	9,143,437
Insurance		566,403	309,281
Electricity duty		268,297	255,798
Others		21,470	12,500
		<u>201,249,954</u>	<u>184,369,861</u>
25 DISTRIBUTION EXPENSES			
Salaries, wages and benefits		3,942,422	3,099,924
Packing and forwarding expenses		6,714,532	5,207,881
Communication		391,562	323,755
Sales promotion expenses		61,520	301,124
Depreciation	7.2	20,601	13,554
Export expenses		-	12,312
		<u>11,130,637</u>	<u>8,958,550</u>
26 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		17,843,546	15,662,755
Printing and stationery		411,932	290,358
Legal and professional charges		2,345,818	1,345,239
Fees and subscription		1,640,226	796,306
Travelling and conveyance		896,173	924,094
Repairs and maintenance		1,968,570	1,300,500
Rent rates and taxes		5,470,000	209,975
Depreciation	7.2	5,140,425	3,662,502
Security expenses		483,363	340,221
Electricity and gas		1,405,772	1,136,336
Insurance		390,334	342,183
Miscellaneous		764,610	813,387
		<u>38,760,769</u>	<u>26,823,857</u>

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	Note	2016 Rupees	2015 Rupees
27 OTHER INCOME			
<i>Income from non financial assets:</i>			
Gain on disposal of fixed assets		2,016,550	4,251,018
<i>Income from financial assets:</i>			
Return on deposits - from Islamic side of bank		1,101,503	1,305,621
		<u>3,118,053</u>	<u>5,556,638</u>
28 OTHER OPERATING EXPENSE			
Workers' Profit Participation Fund		4,489,288	7,296,620
Auditors' remuneration	28.1	466,751	344,999
Workers Welfare Fund		1,705,929	2,770,149
		<u>6,661,968</u>	<u>10,411,768</u>
28.1 Auditors' remuneration			
Audit fee		466,751	344,999
Out of pocket expenses		-	-
		<u>466,751</u>	<u>344,999</u>
29 FINANCE COSTS			
Markup on short term loan - Shariah arrangement			
Profit on morabaha		31,544,462	39,902,617
Profit on diminishing musharaka		7,102,285	8,811,972
		<u>38,646,747</u>	<u>48,714,589</u>
Morabaha documentation charges		52,613	40,173
Guarantee commission		279,458	62,491
Local L/C charges		-	19,428
Bank charges		259,082	303,677
Finance charge on WPPF		1,103,489	1,094,208
		<u>40,341,388</u>	<u>50,234,566</u>
30 TAXATION			
Current		15,796,011	32,606,065
Prior		(30,595)	10,783,301
Deferred		3,055,790	2,921,261
		<u>18,821,206</u>	<u>46,310,627</u>

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30.1 Reconciliation of accounting profit and tax expense

Accounting profit	83,590,534	135,865,628
Tax rate	32%	33%
Tax on accounting profit at applicable rate	26,748,971	44,835,657
Tax effect of expenses not allowed for tax	-	-
Tax effect of income assessed under Final Tax Regime	-	1,283
Prior year adjustment	(30,595)	10,783,301
Effect of tax rebate	(6,858,237)	(8,318,628)
Effect of change in tax rate	(1,038,933)	(990,986)
	<u>18,821,206</u>	<u>46,310,627</u>

- 30.2 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of ten percent on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its issued, subscribed and paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on September 29, 2016 has recommended sufficient cash dividend for the ended June 30, 2016 (refer note 41) which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognised in these financials statements for the year ended June 30, 2016.

	2016 Rupees	2015 Rupees
31 EARNING PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on basic earnings per share of the Company which is based on:		
Profit after taxation from continued operation	64,769,328	89,555,000
	<u>64,769,328</u>	<u>89,555,000</u>
	Number of shares	
Weighted average number of shares	<u>8,593,750</u>	<u>8,593,750</u>
Basic and diluted earnings per share	<u>7.54</u>	<u>10.42</u>
32 WORKING CAPITAL CHANGES		
32.1 (Increase) / decrease in current assets		
Stock-in-trade	27,779,088	13,955,208
Trade debts	(45,082,538)	22,635,819
Loans and advances	(16,452,375)	(10,021,986)
Trade deposits and short term pre-payments	690,733	(219,700)
Other receivables	(3,743,516)	(2,631,326)
	<u>(36,808,607)</u>	<u>23,718,015</u>
32.2 Increase in current liabilities		
Trade and other payables	<u>46,712,509</u>	<u>28,615,310</u>

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33 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
	------(Rupees)-----					
Remuneration	4,000,800	4,000,800	7,861,200	7,901,200	5,404,780	4,354,023
House rent	1,599,120	1,599,120	3,118,680	3,118,680	1,363,700	1,176,360
Retirement benefits	569,904	1,216,439	1,009,862	2,907,947	1,416,560	1,052,932
Utilities	400,080	400,080	790,120	780,120	341,300	294,040
	<u>6,558,904</u>	<u>7,216,439</u>	<u>12,849,862</u>	<u>14,707,947</u>	<u>8,526,340</u>	<u>6,878,155</u>
<i>Number of persons</i>	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>	<u>4</u>	<u>4</u>

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

33.2 No fee paid to Director for attending Board Meetings during the year. (2015: NIL)

34 TRANSACTIONS / BALANCES WITH RELATED PARTIES

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

Transaction:	2016 Rupees	2015 Rupees
Contribution to the gratuity fund	-	(185,170)
Borrowing from directors and family member	<u>79,954,950</u>	<u>67,275,000</u>
Repayment of borrowing from directors and family member	<u>48,194,950</u>	<u>86,475,000</u>
Borrowing from Sana Greens (Private) Limited (subsidiary company)	<u>10,000,000</u>	-
Balances:		
Borrowing from directors and family member	<u>36,760,000</u>	<u>5,000,000</u>
Sana Greens (Private) Limited (subsidiary company)	<u>10,000,000</u>	-

35 FINANCIAL INSTRUMENTS BY CATEGORY

FINANCIAL ASSETS

Loans and receivables at amortized cost

Long-term deposits	1,213,251	1,168,120
Trade debts	259,094,056	214,011,518
Loans and advances	29,930,847	13,478,472
Trade deposits	837,265	1,527,998
Other receivables	16,154,906	49,219,151
Cash and bank balances	<u>40,059,805</u>	<u>60,936,663</u>
	<u>347,290,130</u>	<u>340,341,922</u>

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FINANCIAL LIABILITIES

Financial liabilities at amortized cost

Long-term musharaka	68,236,148	48,169,065
Trade and other payables	133,464,057	86,877,055
Finance cost payable	7,163,997	7,424,022
Borrowing from Directors and family member	46,760,000	5,000,000
Current portion of long-term musharaka	49,422,617	45,246,288
Short term morabaha	383,345,362	352,016,815
	<u>688,392,181</u>	<u>544,733,245</u>

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

36.1 Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings from financial institution with floating interest rates. Management of the Company estimates that increase of 100 base point in the market interest rate, with all other factors remaining constant, would increase/decrease the Company's after tax profit by Rs. 4,785,521 (2015: Rs.2,820,190). However, in practice, the actual result may differ from the sensitivity analysis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transaction in foreign currency. As at June 30, 2016, the company is not exposed to risk in respect of financial assets or financial liabilities.

36.2 Credit risk

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

Credit risk arises from cash and cash equivalent, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including trade receivables and committed transactions. Out of total financial assets of Rs. 335,735,599 (2015: 340,333,922), the financial assets are subject to credit risk amounted to Rs. 346,795,677 (2015: 339,619,632).

The maximum exposure to credit risk as at June 30, 2016, along with comparatives is tabulated below:

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	2016 Rupees	2015 Rupees
Financial Assets		
Long-term deposits	1,213,251	1,168,120
Trade debts	259,094,056	214,011,518
Loans and advances	29,930,847	13,478,472
Trade deposits	837,265	1,527,998
Other receivables	16,154,906	49,219,151
Bank balances	39,564,677	60,214,373
	<u>346,795,002</u>	<u>339,619,632</u>
Bank balances		
Ratings		
A1+	<u>39,564,677</u>	<u>60,214,373</u>

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

36.3 Liquidity risk

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

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

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

2016	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	----- (Rupees) -----				
Musharaka	17,093,975	32,328,642	68,236,148	-	117,658,765
Trade and other payables	133,464,057	-	-	-	133,464,057
Finance cost payable	7,163,997	-	-	-	7,163,997
Borrowing from Directors & Associates	8,500,000	38,260,000	-	-	46,760,000
Short-term morahaba	187,804,744	195,540,618	-	-	383,345,362
Total	<u>354,026,773</u>	<u>266,129,260</u>	<u>68,236,148</u>	-	<u>688,392,181</u>

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2015	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	(Rupees)				
Musharaka	10,064,350	34,247,510	49,103,484	-	93,415,353
Trade and other payables	86,877,055	-	-	-	86,877,055
Finance cost payable	7,424,022	-	-	-	7,424,022
Borrowing from Directors & Associates	5,000,000	-	-	-	5,000,000
Short-term morahaba	147,916,049	204,100,766	-	-	352,016,815
Total	257,281,476	238,348,285	49,103,484	-	544,733,245

36.4 Fair value of financial instruments

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

As at June 30, 2016 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying value.

36.5 Capital risk management

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

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

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

As at June 30, 2016 and 2015, the company has surplus cash reserves to meet its requirement and there was no debt position.

	2016	2015
37 CAPACITY AND PRODUCTION		
Number of spindles installed	<u>30,720</u>	<u>30,168</u>
Number of rotors	<u>-</u>	<u>800</u>
Average number of spindles operated during the period	<u>30,720</u>	<u>30,000</u>
Installed production capacity 30/s count - (KGs)	<u>5,780,513</u>	<u>5,701,500</u>
Actual production (KGs)	<u>5,193,630</u>	<u>4,322,647</u>
Number of shifts per day	<u>3</u>	<u>3</u>

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38 SEGMENTAL INFORMATION

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

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

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

2016	Textile	Cold Storage	Food Stuff	Total
	(Rupees)			
Turnover	1,620,018,107	163,127,178	7,972,377	1,791,117,662
Cost of sales and services	(1,491,533,211)	(114,434,314)	(7,782,894)	(1,613,750,419)
Gross profit	128,484,896	48,692,864	189,483	177,367,243
Distribution costs	(10,028,526)	(1,102,036)	(75)	(11,130,637)
Administrative expenses	(35,026,911)	(3,526,115)	(207,743)	(38,760,769)
Other income	2,101,502	1,016,551	-	3,118,053
Operating profit	85,530,961	45,081,264	(18,335)	130,593,890
Finance costs	(38,829,697)	(1,511,692)	-	(40,341,389)
Other operating expense	(6,617,380)	(42,510)	(2,078)	(6,661,968)
Profit before taxation	40,083,885	43,527,063	(20,413)	83,590,534
Taxation	(9,023,065)	(9,798,147)	-	(18,821,212)
Profit after taxation	31,060,819	33,728,922	(20,413)	64,769,328
OTHER INFORMATION				
Segment assets	720,222,872	278,864,773	4,129,915	1,003,217,560
Unallocated assets				89,568,204
Total assets				1,092,785,764
Segment liabilities	507,629,729	83,648,076	-	591,277,805
Unallocated liabilities				143,532,436
Total liabilities				734,810,241
Capital expenditure	34,018,100	141,301,701	-	175,319,801
Unallocated capital expenditure				-
Total capital expenditure				175,319,801
Depreciation	35,475,948	26,777,699	623,074	62,876,721

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2015

	Textile	Cold Storage	Food Stuff	Total
	------(Rupees)-----			
Turnover	1,551,548,114	143,255,548	1,064,510	1,695,868,172
Cost of sales and services	(1,360,239,078)	(103,849,317)	(5,042,047)	(1,469,130,442)
Gross profit	191,309,036	39,406,231	(3,977,537)	226,737,730
Distribution costs	(8,536,168)	(13,554)	(408,828)	(8,958,550)
Administrative expenses	(24,139,331)	(2,228,712)	(455,814)	(26,823,857)
Other income	5,201,105	355,533	-	5,556,638
Operating profit	163,834,642	37,519,498	(4,842,179)	196,511,961
Finance costs	(46,592,716)	(3,641,850)	-	(50,234,566)
Other operating expense	(10,382,408)	(29,143)	(217)	(10,411,768)
Profit before taxation	106,859,518	33,848,505	(4,842,396)	135,865,627
Taxation	(35,170,214)	(11,140,413)	-	(46,310,627)
Profit after taxation	71,689,304	22,708,092	(4,842,396)	89,555,000
OTHER INFORMATION				
Segment assets	568,791,508	128,385,502	22,171,336	719,348,346
Unallocated assets				266,245,320
Total assets				985,593,666
Segment liabilities	390,077,925	4,098,352	43,033	394,219,310
Unallocated liabilities				591,374,356
Total liabilities				985,593,666
Capital expenditure	84,934,869	27,330,049	55,900	112,320,818
Depreciation	28,416,720	24,646,700	621,211	53,684,631

39 NUMBER OF EMPLOYEES

2016

2015

Number of employees at 30 June

188

182

Average number of employees during the year

184

182

40 CORRESPONDING FIGURES

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

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41 **EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

The Board of Directors in their meeting held on September 29, 2016 have proposed a cash dividend of Rs. 3.50 (2015: 8.00) per share amounting to Rs. 30,078,125 /- (2015: Rs.68,750,000/-) and Nil Stock dividend for the year ended June 30, 2016 for approval of the members at the forthcoming Annual General Meeting to be held on October 26, 2016.

42 **GENERAL**

Amounts have been rounded off to the nearest rupee.

43 **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 29 September 2016 by the Board of Directors of the Company.


(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer