CONDENSED INTERIM FINANCIAL ACCOUNTS
(UN-AUDITED)

For the Period Ended December 31, 2021

Sana Industries Limited

33-D-2, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400
Phone: 021-34322556-9 Email: info@sana-industries.com

Sana Industries Limited

CONTENTS

Company Information	2
Directors' Report alongwith annexures	3
Interim condensed unconsolidated Balance Sheet	11
Interim condensed unconsolidated Profit and Loss account	12
Interim condensed unconsolidated Statement of Comprehensive Income	13
Interim condensed unconsolidated Statement of Changes in Equity	14
Interim condensed unconsolidated Cash flow statement	15
Unconsolidated notes to the Accounts	16
Interim condensed consolidated Balance Sheet	28
Interim condensed consolidated Profit and Loss account	29
Interim condensed consolidated Statement of Comprehensive Income	30
Interim condensed consolidated Statement of Changes in Equity	31
Interim condensed consolidated Cash flow statement	32
Consolidated notes to the Accounts	33

COMPANY INFORMATION

Board of Directors

Mr.Mohammed Younus Nawab	- Director
Hafiz Mohammed Irfan Nawab	- Chief Executive
Mr.Ibrahim Younus	- Chairman
Mr.Muhammad Faizanullah	- Director
Mr.Ismail Younus	- Director
Ms.Areej Rafique	- Director
Mr.Muhammad Ashfaq	- Director

H.R. & Remuneration Committee

Ms.Areej Rafique	- Chairman
Mr.Syed Amjad Ahmad	- Secretary
Mr.Muhammad Faizanullah	- Member
Mr.Ismail Younus	- Member

Audit Committee

Mr.Muhammad Ashfaq	- Chairman
Mr.Syed Amjad Ahmad	- Secretary
Mr.Ismail Younus	- Member
Mr.Muhammad Faizanullah	- Member

C.F.O./Company Secretary

Mr.Saad Bin Hilal	-Chief Financial Officer
Mr.Abdul Hussain Antaria	-Company Secretary

Registered Office

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

Mills

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

Auditors

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

Legal Advisors

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

Bankers

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

Share Registrars

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

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

DIRECTORS' REPORT

The Directors take pleasure in submitting their Report together with the operational and financial results of the company reviewed by the statutory auditors, for the 2nd quarter/ half year ended December 31, 2021.

The economic growth flourished during the half year ended December 31, 2021, as compared with same period last year. Although there had been inflationary pressure due to surge in global commodity prices and the latest Omicron variant of Covid-19 virus which clouded the world economy with uncertainty, Pakistan's economy has shown better performance at coping with these pressures with the help of government's pro-growth policies.

During the period under review, the Company has secured consolidated gross topline of Rs. 2.24 billion against Rs.1.27 billion for the Same Period Last Year (SPLY), significantly increasing its turnover by 97%. The sustenance in economic activity during the period under review as compared to last year, coupled with increase in yarn prices and induction of Sana Distributors (Pvt) Limited as a wholly owned subsidiary which clocked gross revenue at Rs. 559.38 million, has resulted in increase in consolidated gross profit margins to 14.20% from 13.04% in SPLY. Consolidated net profit margin of the company clocked at 5.19% as compared to 3.29% for the SPLY.

During the period under review: -

- The consolidated profit after tax during the period under review clocked at Rs. 92.1 million as compared to Rs. 35.60 million during the corresponding period of last year, showing a lift of 158.7%.
- The unconsolidated profit after tax during the period under review clocked at Rs. 94.4million as compared to Rs. 42.7 million during the corresponding period last year, showing a lift of 121%.

In order to facilitate our Shareholders, following comparisons of operating and financial data have been annexed with this report:

(a)	Comparison with previous quarter	Annex-A
(b)	Comparison with corresponding quarter of last year	Annex-B
(c)	Comparison with corresponding six months period	Annex-C
(d)	Comparison of Balance Sheet of last two quarters	Annex-D
(e)	Comparison of P&L Account of the last two quarters	Annex-E

Complying with the requirement of SECP, unconsolidated as well as consolidated financial statement for the period are also attached.

Dividend/ Bonus Issue/ Right Issue

Your Directors have decided to recommend payment of an Interim Cash Dividend @ Re.1.50 per Share (15%). The distribution this year comes to 19.21% of the current year's after tax earnings.

The Interim Dividend will be paid to the shareholders, whose name appears in the Register of Members on 14/3/2022. The share transfer book of the Company will remain closed from 15/03/2022 to 22/03/2022 (both days inclusive). Transfers received in order at the office of the Registrar, CDC Share Registrar Services Limited at the close of business on 14/03/2022 will be treated in time for the purpose of payment of Dividend to the Transferees.

No bonus issue has been announced during the period.

No right issue has been announced during the period.

Future Prospects

The outlook looks stable and local demand is expected to remain strong. The management is taking measures to achieve technological upgradation thereby increasing production capacity and sales.
As announced at the close of half yearly financials, December 31, 2020, the company raised funds to the tune of Rs. 120.312 million from right issue for expansion of textile unit and establishment of Sana Distributors (Private) Limited as a wholly owned subsidiary

Current production capacity of textile unit is based on 31,488 spindles. The company embarked on an expansion project to the tune of Rs. 400 million which shall increase our production capacity by 25.7% to 39,588 spindles.

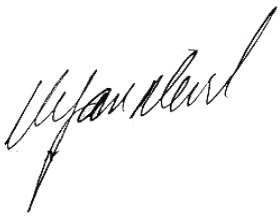
At the close of half yearly financials, December 31, 2021, shipments to the tune of Rs. 121.09 million, which is approximately 30% of the total project size, has been executed and the relevant machinery has arrived.

Remaining shipments are expected to arrive tentatively by August 2022, following which production with increased capacity shall commence from October 2022.

Acknowledgment

We would like to place on record our deepest gratitude to all stakeholders (internal/ external), Banks, financial institutions, relevant ministries and regulators for their continuous support towards the growth of the company.

We acknowledge the hard work, devotion and loyalty of the staff and workers without whom continued success could not have been achieved. We look forward to the same devotion and cooperation in the years to come.



Muhammad Irfan Nawab
Chief Executive Officer

Muhammad Faizanullah
Director

Karachi: February 25th, 2022

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والی دوسری سہ ماہی/ششماہی کے لئے قانونی آڈیٹرز کے ذریعہ جائزہ لیے گئے کمپنی کے آپریشنل اور مالیاتی نتائج کے ہمراہ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

31 دسمبر 2021 کو ختم ہونے والی ششماہی کے دوران گزشتہ سال کے اسی عرصے کے مقابلے میں اقتصادی ترقی فروغ پا رہی ہے۔ اگرچہ عالمی اجناس کی قیمتوں میں اضافے اور Covid-19 وائرس کی تازہ ترین اومیکرون قسم کی وجہ سے افراط زر کا دباؤ تھا جس نے عالمی معیشت کو غیر یقینی صورتحال سے دوچار کر دیا تھا لیکن پاکستانی معیشت نے حکومت کی ترقی نواز پالیسیوں کی مدد سے اس دباؤ کا مقابلہ کرنے میں بہتر کارکردگی کا مظاہرہ کیا ہے۔

زیر جائزہ مدت کے دوران کمپنی نے گزشتہ سال کی اسی مدت کے لئے 1.27 ارب روپے کے مقابلے میں 2.24 ارب روپے کی مجموعی ٹاپ لائن حاصل کی ہے جس سے اس کے کاروبار میں 97 فیصد کا نمایاں اضافہ ہوا ہے۔ گزشتہ سال کے مقابلے میں زیر جائزہ مدت کے دوران اقتصادی سرگرمیوں میں یارن کی قیمتوں میں اضافے اور ثناء ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کو مکمل ملکیت والی ذیلی کمپنی کے طور پر شامل کیا گیا جس نے مجموعی آمدنی 559.38 ملین روپے حاصل کی جس کے نتیجے میں مجموعی منافع کے مارجن میں گزشتہ سال کی اسی مدت 13.04 فیصد کے مقابلے میں 14.20 فیصد تک اضافہ ہوا ہے۔ کمپنی کا مجموعی خالص منافع مارجن 5.19 فیصد رہا جبکہ گزشتہ سال اسی مدت کے دوران یہ 3.29 فیصد تھا۔

زیر نظر مدت کے دوران:-

- زیر نظر مدت کے دوران بعد از ٹیکس مستحکم منافع 92.1 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت کے دوران یہ 35.60 ملین روپے تھا جو 158.7 فیصد کی اُٹھان ظاہر کرتا ہے۔
- زیر نظر مدت کے دوران بعد از ٹیکس غیر مستحکم منافع 94.4 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران یہ 42.7 ملین روپے تھا جو 121 فیصد کی اُٹھان ظاہر کرتا ہے۔

ہمارے شیئر ہولڈرز کو سہولت فراہم کرنے کے لئے، درج ذیل آپریٹنگ اور مالیاتی ڈیٹا موازنے کے بعد اس رپورٹ کے ساتھ ضم کیا گیا ہے:

(a)	گزشتہ سہ ماہی کے ساتھ موازنہ	Annex-A
(b)	گزشتہ سال کی اسی سہ ماہی کے ساتھ موازنہ	Annex-B
(c)	متعلقہ چھ ماہ کی مدت کے ساتھ موازنہ	Annex-C
(d)	گزشتہ دو سہ ماہیوں کی بیلنس شیٹس کا موازنہ	Annex-D
(e)	گزشتہ دو سہ ماہیوں کے نفع و نقصان اکانٹ کا موازنہ	Annex-E

ایس ای سی پی کے مطالبہ کی تعمیل کرتے ہوئے، غیر مستحکم کے ساتھ ساتھ اس مدت کے لئے مستحکم مالیاتی اسٹیٹمنٹ بھی منسلک ہیں۔

ڈیویڈنڈ/ بونس اجراء / رائٹ اجراء

آپ کے ڈائریکٹرز نے 1.50 روپے فی حصص (15 فیصد) کے حساب سے عبوری نقد ڈیویڈنڈ کی ادائیگی کی سفارش کرنے کا فیصلہ کیا ہے۔ رواں سال کی تقسیم اسی سال کے بعد از ٹیکس آمدنی کا 19.21 فیصد تک شمار ہوتا ہے۔

عبوری منافع ان شیئر ہولڈرز کو ادا کیا جائے گا، جن کا نام 14-03-2022 کو ممبران کے رجسٹر میں ظاہر ہوگا۔ کمپنی کی شیئر ٹرانسفر بک 15-03-2022 سے 22-03-2022 (دونوں دن شامل) تک بند رہے گی۔ رجسٹرار کے دفتر میں 14-03-2022 کو کاروبار کے اختتام پر سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کے دفتر میں موصول ہونے والی ٹرانسفر درخواستیں ڈیویڈنڈ کی ادائیگی کے لیے بروقت متصور ہوں گی۔

اس عرصے کے دوران بونس کے کسی اجراء کا اعلان نہیں کیا گیا ہے۔
اس عرصے کے دوران کسی رائٹ ایشو کا اعلان نہیں کیا گیا ہے۔

مستقبل کے امکانات

مستقبل کا نقطہ نظر مستحکم نظر آتا ہے اور مقامی طلب کے مضبوط رہنے کی توقع ہے۔ انتظامیہ تکنیکی جدت کے حصول کے لئے اقدامات کر رہی ہے جس سے پیداواری صلاحیت اور فروخت میں اضافہ ہو رہا ہے۔ 31 دسمبر 2020 کو ششماہی مالیاتی عرصے کے اختتام پر اعلان کے مطابق کمپنی نے ٹیکسٹائل یونٹ کی توسیع اور مکمل ملکیت والی ذیلی کمپنی کے طور پر ٹناڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کے قیام کے لئے رائٹ ایشو سے 120.312 ملین روپے تک کے فنڈز اکٹھے کیے۔

ٹیکسٹائل یونٹ کی موجودہ پیداواری صلاحیت 31,488 اسپنڈلز پر مبنی ہے۔ کمپنی نے 400 ملین روپے تک توسیعی منصوبے کا آغاز کیا جس سے ہماری پیداواری صلاحیت 25.7 فیصد بڑھ کر 39,588 اسپنڈل ہو جائے گی۔

31 دسمبر 2021 کو نصف سالانہ مالیاتی عرصے کے اختتام پر 121.09 ملین روپے کی ترسیلات جو کُل پروجیکٹ سائز کا تقریباً 30 فیصد ہے، عمل میں لائی گئی ہیں اور متعلقہ مشینری پہنچ چکی ہے۔

بقیہ ترسیلات اگست 2022 تک عارضی طور پر پہنچنے کی توقع ہے جس کے بعد بڑھتی ہوئی صلاحیت کے ساتھ پیداوار اکتوبر 2022 سے شروع ہوگی۔

اعتراف

ہم کمپنی کی ترقی میں مسلسل معاونت کے لئے تمام اسٹیک ہولڈرز (اندرونی/بیرونی)، بینکوں، مالیاتی اداروں، متعلقہ وزارتوں اور ریگولیٹرز کے دلی شکر گزار ہیں۔

ہم عملے اور کارکنوں کی محنت، دیانتداری اور وفاداری کا اعتراف کرتے ہیں جن کے بغیر مسلسل کامیابی کا حصول ناممکن تھا۔ ہم آنے والے برسوں میں اسی دیانتداری اور تعاون کے منتظر ہیں۔

منجانب بورڈ

محمد عرفان نواب	محمد فیضان اللہ
چیف ایگزیکٹیو	ڈائریکٹر

کراچی: 25 فروری 2022

Sana Industries Limited

Annexure to Directors' Report
(Rupees in millions)

Consolidated comparison with previous quarter **Annexure A**

Covering period FROM / TO	01-Oct-2021 / 31-Dec-2021	01-July-2021 / 30-Sep-2021	VARIATION Amount	VARIATION Percentage
Turnover - net	929.05	846.49	82.56	9.75%
Cost of Sales	774.73	748.62	26.11	3.49%
Gross Profit	154.33	97.87	56.45	57.68%
G.P.Rate to Sales	16.61%	11.56%		5.05%
Administrative, Selling, Financial & Other expenses	69.13	60.80	8.33	13.71%
Other income	5.09	1.28	3.81	296.62%
Operating Profit before tax	90.29	38.36	51.93	135.38%
Operating Profit to sales ratio	9.72%	4.53%		
		(restated)		
Earning per share (before tax)	7.46	3.17	4.29	135.33%

Consolidated comparison with corresponding quarter of last year **Annexure B**

Covering period FROM / TO	01-Oct-2021 / 31-Dec-2021	01-Oct-2020 / 31-Dec-2020	VARIATION Amount	VARIATION Percentage
Turnover - net	929.05	529.00	400.05	75.62%
Cost of Sales	774.73	459.34	315.39	68.66%
Gross Profit	154.33	69.66	84.66	121.53%
G.P.Rate to Sales	16.61%	13.17%		
Administrative, Selling, Financial & Other expenses	69.13	50.56	18.58	36.74%
Other income	5.09	5.29	(0.19)	-3.68%
Operating Profit before tax	90.29	24.40	65.89	270.09%
Operating Profit to sales ratio	9.72%	4.61%		
		(restated)		
Earning per share (before tax)	7.46	2.00	5.46	273.00%

Comparison with corresponding of last year **Annexure C**

Covering period FROM / TO	01-Jul-2021 / 31-Dec-2021	01-Jul-2020 / 31-Dec-2020	VARIATION Amount	VARIATION Percentage
Turnover - net	1,775.54	1,084.31	691.24	63.75%
Cost of Sales	1,523.34	942.88	580.46	61.56%
Gross Profit	252.20	141.43	110.77	78.32%
G.P.Rate to Sales	14.20%	13.04%		
Administrative, Selling, Financial & Other expenses	129.93	93.12	36.81	39.52%
Other income	6.38	7.51	(1.13)	15.04%
Operating Profit before tax	128.65	55.81	72.84	-130.52%
Operating Profit to sales ratio	7.25%	5.15%		
Provision for Taxation	36.52	20.16	16.36	81.14%
Profit after Taxation	92.13	35.63	56.50	158.57%
- Shareholders of the Holding Company	86.91	34.31		
- Non - controlling interest	5.22	(1.32)		
	92.13	35.63		
		(restated)		
Earning per share (before tax)	10.63	4.61	6.02	130.59%
Earning per share (after tax)	7.18	2.84	4.34	152.82%

Sana Industries Limited

"Annexure D"

COMPARISON OF BALANCE SHEET OF TWO QUARTERS

	1ST QUARTER 30-Sep-2021 Rupees	2ND QUARTER 31-Dec-2021 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, Plant and equipments	490,409,226	560,778,505
Right to use asssers	56,442,321	51,795,571
Long-term deposits	2,756,051	22,407,800
Long term Advances	-	22,407,800
Deferred tax asset - net	23,409,233	20941130.7
	573,016,830	658,679,058
CURRENT ASSETS		
Stock-in-trade	292,737,355	411,717,112
Stores and spares	9,357,758	11,389,870
Short term investment	49,272,832	18,664,856
Trade debts- unsecured, considered good	694,331,312	662,833,386
Advances	19,960,068	40,090,123
Trade deposits, short term prepayments and other receivables	38,097,271	17,901,651
Tax refunds due from government	184,931,317	124,020,818
Cash and bank balances	92,289,578	62,620,729
	1,380,977,491	1,349,238,545
TOTAL ASSETS	1,953,994,321	2,007,917,603
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share Capital	110,000,000	121,000,000
Reserves	442,613,198	473,614,414
Attributiable to equity holders of the parent	552,613,198	594,614,414
Non-controlling interest	48,740,579	50,588,431
	601,353,777	645,202,845
NON CURRENT LIABILITIES		
Diminishing Musharegqa	33,950,049	64,361,484
Lease Liability	58,230,509	55,431,554
Deffered Liabilities	107,590,917	108,365,469
	199,771,475	228,158,507
CURRENT LIABILITIES		
Trade and other payables	357,962,369	311,251,034
Advances from Customers	17,879,210	12,507,518
Accrued profit	9,714,201	10,947,580
Borrowings from Directors and sponsors	60,665,000	58,905,000
Current portion of long term loans from a banking company	107,154,890	98,963,278
Current maturity of lease liability	18,088,121	21,423,490
Current maturity of deferred government grant	2,202,584	3,438,487
Unclaimed dividend	1,877,676	1,933,849
Short term Islamic finance	577,325,018	607,272,686
Current portion of the provision for Gas Infrastructure Development Cess	-	7,913,328
	1,152,869,069	1,134,556,251
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	1,953,994,321	2,007,917,603
Debt Equity Ratio	24.94%	26.12%
Current Ratio	1.20	1.19

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

	1ST QUARTER 30-Sep-2021 Rupees	2ND QUARTER 31-Dec-2021 Rupees	Y.T.D. 31-Dec-2021 Rupees
Turnover-net	846,491,107	929,051,824	1,775,542,931
Cost of sales	(748,619,285)	(774,725,527)	(1,523,344,812)
Gross profit	97,871,822	154,326,297	252,198,119
G.P.Rate	11.56%	16.61%	14.20%
General and administration expenses	(26,218,915)	(27,411,433)	(53,630,348)
Selling and distribution expenses	(7,737,823)	(7,926,061)	(15,663,884)
Other operating expenses	(4,027,866)	(5,924,136)	(9,952,002)
Operating profit	59,887,218	113,064,666	172,951,884
Finance cost	(22,813,620)	(27,870,722)	(50,684,342)
Other income	1,284,323	5,093,883	6,378,207
Profit for the period before taxation	38,357,922	90,287,827	128,645,749
Provision for taxation	(6,579,162)	(29,938,760)	(36,517,922)
Profit / Loss after taxation	31,778,760	60,349,067	92,127,828
Earning per share before taxation	3.17	7.46	10.63
Earning per share after taxation			7.18

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No. :(021) 34549345-9
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF M/S. SANA INDUSTRIES LIMITED

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **M/s. Sana Industries Limited** ("the Company") as at **December 31, 2021** and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows and notes thereto for the half yearly period then ended (here-in-after referred to as the "unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2021. Accordingly, we have not reviewed the figures in the condensed interim unconsolidated statement of profit or loss and the condensed interim unconsolidated statement of comprehensive income for the quarter period ended December 31, 2021.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Muhammad Waseem.**

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: 25 FEB 2022

UDIN: RR202110213CjSJO9W5y

A member of
Russell Bedford International
A global netwrok of independent accountancy firms,
business consultants and specialist legal advisers.

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Financial Position

As at December 31, 2021

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
ASSETS		———— Rupees ————	
Non-current assets			
Property, plant and equipment	3	**369,957,161**	321,243,043
Right of-use-asset	4	**21,973,325**	23,970,900
Investment property	5	**47,013,764**	52,239,813
Investment in subsidiary		**94,999,990**	94,999,990
Long term deposits and prepayments		**2,756,051**	2,756,051
Long term advances		**22,407,800**	-
Deferred tax asset -net		**15,583,192**	13,360,749
		574,691,283	508,570,546
Current assets			
Stock-in-trade	6	**359,776,489**	240,450,223
Stores and spares		**11,389,870**	6,697,215
Trade debts		**449,881,988**	441,291,605
Loans and advances	7	**39,606,008**	35,758,481
Trade deposits,short term prepayments and other receivables	22.3	**66,495,250**	46,743,511
Short term investments		**8,239,856**	26,722,832
Tax refunds due from government		**65,975,321**	80,600,473
Cash and bank balances	8	**49,028,549**	98,496,842
		1,050,393,331	976,761,182
Total assets		**1,625,084,614**	1,485,331,728
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
20,000,000 (June 30, 2021: 10,000,000) ordinary shares of Rs 10/- each		**200,000,000**	200,000,000
Issued, subscribed and paid-up capital	9	**121,000,000**	110,000,000
Capital reserves			
Share premium		**96,250,000**	96,250,000
Revenue reserves			
General reserves		**132,500,000**	132,500,000
Unappropriated profits		**241,007,845**	174,056,923
		373,507,845	306,556,923
		590,757,845	512,806,923
Non-current liabilities			
Lease liability	10	**23,837,539**	24,774,275
Long term financing -secured	11	**56,932,517**	35,652,805
Deferred liabilities	12	**108,365,469**	105,536,566
		189,135,525	165,963,646
Current liabilities			
Short term borrowings -secured	13	**546,751,496**	525,806,494
Trade and other payables		**206,401,277**	191,715,008
Loan from directors and sponsors		**4,000,000**	6,660,000
Accrued markup		**9,453,424**	9,381,038
Current portion of lease liability		**5,984,731**	5,708,856
Current portion of long term loans from a banking company		**60,165,221**	63,625,801
Current portion of deferred government grant		**2,587,918**	1,786,286
Current portion of the provision for Gas Infrastructure Development Cess		**7,913,328**	-
Unclaimed dividend		**1,933,849**	1,877,676
		845,191,244	806,561,159
Contingencies and commitments	14		
Total equity and liabilities		**1,625,084,614**	1,485,331,728

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Profit or Loss

For the half year and quarter ended December 31, 2021 (unaudited)

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
		Rupees			
Gross revenue	15	**1,472,105,944**	1,112,946,865	**730,196,814**	541,654,382
Less; Sales tax		**(220,409,816)**	(169,569,928)	**(108,791,703)**	(82,231,394)
Commissions and discounts		**(157,015)**	(2,005,540)	**(157,015)**	(1,964,247)
Revenue - net		**1,251,539,113**	941,371,397	**621,248,096**	457,458,741
Cost of sales		**(1,045,333,088)**	(830,543,714)	**(502,131,739)**	(399,428,111)
Gross profit		**206,206,025**	110,827,683	**119,116,357**	58,030,630
Administrative expenses		**(34,587,187)**	(30,214,858)	**(17,918,539)**	(17,157,511)
Distribution expenses		**(9,354,223)**	(10,270,721)	**(4,643,782)**	(5,693,338)
Other operating expenses		**(9,952,002)**	(4,746,533)	**(5,924,136)**	(2,465,711)
		(53,893,412)	(45,232,112)	**(28,486,457)**	(25,316,560)
Operating profit		**152,312,613**	65,595,571	**90,629,900**	32,714,070
Finance costs	16	**(40,062,429)**	(22,511,540)	**(21,823,342)**	(14,708,922)
Other income	17	**14,547,623**	16,519,064	**7,462,543**	9,530,614
		(25,514,806)	(5,992,476)	**(14,360,799)**	(5,178,308)
Profit before taxation		**126,797,807**	59,603,095	**76,269,101**	27,535,762
Taxation - net	18	**(32,346,885)**	(16,825,350)	**(24,307,577)**	(14,941,961)
Profit after taxation		**94,450,922**	42,777,745	**51,961,524**	12,593,801
			(Restated)		(Restated)
Earning per share - basic and diluted	19	**7.81**	4.34	**4.29**	1.28

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income

For the half year and quarter ended December 31, 2021 (unaudited)

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
	Rupees			
Profit after taxation	**94,450,922**	42,777,745	**51,961,524**	12,593,801
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**94,450,922**	42,777,745	**51,961,524**	12,593,801

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Changes in Equity

For the half year and quarter ended December 31, 2021 (unaudited)

		Capital reserve	Revenue reserves		
	Issued, subscribed and paid up capital	Share premium	General reserves	Unappropriated profits	Total
	Rupees				
Balance as at July 01, 2020	85,937,500	-	132,500,000	127,064,475	345,501,975
Transaction with owners					
Interim dividend for the period ended September 30, 2020 @ Rs. 1/- per share	-	-	-	(8,593,750)	(8,593,750)
Total comprehensive income for the half year ended December 31, 2020	-	-	-	42,777,745	42,777,745
Balance as at December 31, 2020	**85,937,500**	**-**	**132,500,000**	**161,248,470**	**379,685,970**
Balance as at July 01, 2021	**110,000,000**	**96,250,000**	**132,500,000**	**174,056,923**	**512,806,923**
Transaction with owners					
- Final dividend paid for the Year ended June 30, 2021 @ Rs. 1.5/- per share	-	-	-	**(16,500,000)**	**(16,500,000)**
- Bonus shares @ 10% for the year ended June 30, 2021	**11,000,000**	-	-	**(11,000,000)**	-
	11,000,000	-	-	**(27,500,000)**	**(16,500,000)**
Total comprehensive income for the half year ended December 31, 2021	-	-	-	**94,450,922**	**94,450,922**
Balance as at December 31, 2021	**121,000,000**	**96,250,000**	**132,500,000**	**241,007,845**	**590,757,845**

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Cash Flows

For the half year ended December 31, 2021 (unaudited)

	Note	Half year ended	
		December 31, 2021	December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		**Rupees**	
Profit / (loss) before taxation		**126,797,807**	59,603,095
Adjustments for:			
- Depreciation on property, plant and equipment	*3*	**33,265,901**	33,075,599
- Depreciation on right-of-use assets	*4*	**1,997,575**	1,997,575
- Depreciation on investment property	*5*	**5,226,049**	5,226,047
- Provision for staff retirement benefits		**4,949,764**	4,669,115
- Provision for gas rate difference		**7,002,061**	-
- Provision for Workers' Profit Participation Fund		**6,809,764**	3,217,481
- Provision for Workers' Welfare Fund		**2,587,710**	1,224,052
- Unrealised gain on re-measurement of short term investments	*17*	**(39,711)**	-
- Gain on disposal of short term investment	*17*	**(235,692)**	-
- Loss / (gain) on sale of operating fixed assets		**55,900**	(3,699,997)
- Amortization of deferred government grant	*17*	**(1,852,869)**	(2,004,559)
- Dividend income	*17*	**(372,484)**	-
- Profit on bank deposits	*17*	**(1,211,728)**	(532,479)
- Increase in provision for expected credit losses		**498,628**	305,000
- Finance costs	*16*	**40,062,429**	22,511,540
		98,743,297	65,989,375
Cash generated from operating activities before working capital changes		**225,541,104**	125,592,470
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
- Stock-in-trade		**(119,326,266)**	21,075,313
- Stores and spares		**(4,692,655)**	(213,237)
- Trade debts		**(9,089,011)**	(81,210,815)
- Loan and advances		**(3,847,527)**	(39,941,868)
- Trade deposits,short term prepayments and other receivables		**(19,751,739)**	(7,045,224)
- Sales tax refundable		**(1,185,901)**	(2,325,420)
Increase/(decrease) in current liabilities			
- Trade and other payables		**7,696,237**	17,100,958
		(150,196,862)	(92,560,293)
Cash generated from operations		**75,344,242**	33,032,177
- Income tax refund received during the year		**-**	17,281,453
- Income tax paid		**(18,643,490)**	(12,365,721)
- Contribution to staff retirement benefits fund		**(2,212,397)**	-
- Compensated absences paid		**(670,671)**	(355,689)
- Payment of Workers' Welfare Fund		**(2,799,348)**	-
- Payment of Workers' Profit Participation Fund		**(7,367,706)**	-
- Finance cost paid		**(33,945,930)**	(37,213,107)
Net cash (used in) / generated from operating activities		**9,704,700**	379,113
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(82,035,919)**	(14,434,297)
Short term investment in units of mutual funds		**(5,000,000)**	-
Proceeds from disposal of Short term investment		**24,016,077**	-
Long term advance paid		**(22,407,800)**	-
Profit received		**1,211,728**	532,479
Proceeds from disposal of operating fixed assets		**-**	3,699,997
Net cash used in investing activities		**(84,215,914)**	(10,201,821)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received against musharaka facility		**10,386,400**	14,179,200
Repayment of long term musharaka		**(14,452,557)**	(403,266)
Loan received against SBP Refinance facility for payment of wages and salaries		**-**	20,280,180
Repayment of loan against SBP Refinance facility for payment of wages and salaries		**(15,326,996)**	(433,791)
Loan received against Islamic Temporary Economic Refinance Facility		**43,255,760**	-
Repayment of lease liability (principal repayment)		**(660,861)**	(865,634)
Short term borrowings - net		**20,945,002**	(5,704,297)
Loan received from directors and sponsors		**14,667,670**	3,250,000
Loan repaid to directors and sponsors		**(17,327,670)**	(8,400,000)
Dividend paid		**(16,443,827)**	(8,580,074)
Net cash generated from / (used in) financing activities		**25,042,921**	13,322,319
Net increase in cash and cash equivalents		**(49,468,293)**	3,499,611
Cash and cash equivalents at the beginning of the year		**98,496,842**	53,312,333
Cash and cash equivalents at the end of the year		**49,028,549**	56,811,944

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2021 (unaudited)

1. THE COMPANY AND ITS OPERATIONS

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements (here-in-after referred to as the 'interim financial statements') have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

- International Accounting Standard (lAS) 34, '*Interim Financial Reporting'*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of, and directives issued under, the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of lAS 34, the provisions of, and directives issued under, the Companies Act, 2017 have been followed.

These interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.

2.2 Basis of measurement

All the items in these interim financial statements have been measured at their historical cost except for:

(a) The Company's retirement benefits liability under the defined benefit plan which is carried at the present value of the defined benefit obligation less the fair value of the plan assets; and

(b) Investment in units of open-ended mutual funds which are carried at fair value through profit or loss.

2.3 Functional and presentation currency

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

2.4 Judgements and sources of estimation uncertainty

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2021.

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended June 30, 2021.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
3. PROPERTY, PLANT AND EQUIPMENT		---------- **Rupees** ----------	
Operating fixed assets	*3.1*	**304,073,487**	321,243,043
Capital work in progress		**65,883,674**	-
		369,957,161	321,243,043

3.1 Operating fixed assets

Net book value at the beginning of the period /year		**321,243,043**	355,849,999
Add: Additions during the period /year	*3.1.1*	**16,152,245**	37,937,546
Less: Disposals during the period /year- at net book value		**(55,900)**	(6,384,157)
Depreciation charged during the period /year		**(33,265,901)**	(66,160,345)
		(33,321,801)	(72,544,502)
Net book value at the end of the period /year		**304,073,487**	321,243,043

3.1.1 The class-wise amounts of additions and disposals are as follows:

	Half year ended December 31, 2021		Year ended June 30, 2021	
	Additions (At Cost)	**Disposals (At NBV)**	Additions (At Cost)	Disposals (At NBV)
Building on leasehold land	**-**	**-**	1,261,200	-
Plant and machinery	**15,185,717**	**-**	15,020,763	(3,969,598)
Furniture, fixtures and office equipment	**350,472**	**-**	438,175	-
Vehicles	**-**	**-**	20,784,483	(2,414,559)
Computers & software	**616,056**	**(55,900)**	432,925	-
	16,152,245	**(55,900)**	37,937,546	(6,384,157)

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
4. RIGHTS-OF-USE ASSET		---------- **Rupees** ----------	
Opening book value		**23,970,900**	27,966,050
Add: Effect of the initial application of IFRS 16		**-**	-
		23,970,900	27,966,050
Less: Depreciation for the period / year		**(1,997,575)**	(3,995,150)
		21,973,325	23,970,900
Depreciation rate (per annum)		**12.50%**	12.50%

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

Particulars	Rented property in Karachi
Lessor name	Mrs. Sabiha Younus and Mrs. Afshan Irfan
Lease agreement date	01-Jul-19
Lease commencement date	01-Jul-19
Initial contracted term of the lease	11 Months
Availability of extension option	Yes
Assessed leased term	8 years

5. INVESTMENT PROPERTY

	Leasehold Land	Building on leasehold land	Total
		Rupees	
As at June 30, 2020			
Cost	6,812,875	138,657,806	145,470,681
Accumulated depreciation	-	(82,778,772)	(82,778,772)
	6,812,875	55,879,034	62,691,909
Movement during the year ended June 30, 2021			
Opening net book value	6,812,875	55,879,034	62,691,909
Additions	-	-	-
Depreciation for the year	-	(10,452,096)	(10,452,096)
Closing net book value	6,812,875	45,426,938	52,239,813
As at June 30, 2021			
Cost	6,812,875	138,657,806	145,470,681
Accumulated depreciation	-	(93,230,868)	(93,230,868)
	6,812,875	45,426,938	52,239,813
Movement during the period ended December 31, 2021			
Opening net book value	**6,812,875**	**45,426,938**	**52,239,813**
Additions	**-**	**-**	**-**
Depreciation for the year	**-**	**(5,226,049)**	**(5,226,049)**
	6,812,875	**40,200,889**	**47,013,764**
As at December 31, 2021			
Cost	**6,812,875**	**138,657,806**	**145,470,681**
Accumulated depreciation	**-**	**(98,456,917)**	**(98,456,917)**
	6,812,875	**40,200,889**	**47,013,764**
Depreciation rate (per annum)	**-**	**10%**	

5.1 Investment property includes leasehold land and buildings thereon, spread over an area of 4.28 acres. It is situated at Survey No. 54 Deh. Gondpass, Tapo Gabapat, Kemari Town, Karachi. Investment property has been leased out (under an operating lease) to M/s. Sana Logistics (Private) Limited (subsidiary).

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
6.	**STOCK-IN-TRADE**		——— Rupees ———	
	Raw material			
	- in hand		**150,835,728**	141,019,643
	- in transit		**48,535,064**	8,686,960
			199,370,792	149,706,603
	Packing materials		**6,596,664**	5,104,695
	Work in process		**19,626,642**	13,904,366
	Finished goods		**133,090,141**	70,631,209
	Waste material		**1,092,250**	1,103,350
			359,776,489	240,450,223
7.	**LOANS AND ADVANCES**			
	Loans to employees	*7.1*	**6,047,569**	5,395,276
	Advances:			
	- to contractors		**205,000**	120,000
	- to suppliers		**33,353,439**	29,630,705
	- to employees		**-**	612,500
			33,558,439	30,363,205
			39,606,008	35,758,481

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

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
8.	**CASH AND BANK BALANCES**	——— Rupees ———	
	Cash in hand	**1,644,505**	1,395,971
	Cash at bank:		
	- Balance held in current accounts	**9,090,519**	17,829,311
	- Balance held in saving accounts	**29,293,525**	54,271,560
	- Term Deposit Receipts (TDR)	**9,000,000**	25,000,000
		47,384,044	97,100,871
		49,028,549	98,496,842

9. **ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

(Unaudited) December 31, 2021	(Audited) June 30, 2021		Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
—— No. of shares ——		Ordinary shares of Rs. 10/- each issued:		——— Rupees ———	
6,406,250	6,406,250	- for cash		**64,062,500**	64,062,500
5,693,750	4,593,750	- as bonus shares		**56,937,500**	45,937,500
12,100,000	11,000,000			**121,000,000**	110,000,000

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
			——— Rupees ———	
10.	**LEASE LIABILITY**			
	Balance as at the beginning of the period /year		**30,483,131**	31,961,048
	Payments made during the period /year		**(2,828,100)**	(5,956,150)
	Interest on unwinding of the lease liability		**2,167,239**	4,478,233
			29,822,270	30,483,131
	Less: Current maturity shown under current liabilities		**(5,984,731)**	(5,708,856)
			23,837,539	24,774,275
11.	**LONG TERM FINANCING- secured**			
	Diminishing Musharaka	*11.1*	**23,308,164**	27,374,381
	Refinance Scheme for Payment of Wages and Salaries	*11.2*	**-**	8,278,424
	Islamic Temporary Economic Refinance Facility (ITERF)	*11.3*	**33,624,353**	-
			56,932,517	35,652,805
11.1	**Diminishing Musharaka**			
	Balance at the beginning of the period /year		**56,279,551**	52,064,108
	Add: Loan obtained during the period /year		**10,386,400**	14,179,200
	Less: Repayments made during the period /year		**(14,452,557)**	(9,963,757)
	Balance at the end of the period /year		**52,213,394**	56,279,551
	As at the end of the period /year:			
	- Current maturity		**28,905,230**	28,905,170
	- Non-current maturity		**23,308,164**	27,374,381
			52,213,394	56,279,551
11.2	**Refinance Scheme for Payment of Wages and Salaries**			
	Balance at the beginning of the period /year		**42,999,055**	37,047,692
	Add: Loan obtained during the period /year		**-**	20,280,179
	Less: Element of government grant recognized as deferred income		**-**	(1,697,414)
			-	18,582,765
	Add: Interest accrued during the period /year	*16*	**1,774,127**	4,451,339
	Less: Installments paid during the period /year		**(15,959,234)**	(17,082,741)
			28,813,948	42,999,055
	Less: Current portion shown under current liabilities		**(28,813,948)**	(34,720,631)
			-	8,278,424
11.3	**Islamic Temporary Economic Refinance Facility (ITERF)**			
	Loan obtained during the period		**43,255,760**	-
	Less: Element of government grant recognized as deferred income		**(7,784,582)**	-
			35,471,178	-
	Add: Interest accrued during the period	*16*	**599,218**	-
	Less: Installments paid during the period		**-**	-
			36,070,396	-
	Less: Current portion shown under current liabilities		**(2,446,043)**	-
			33,624,353	-

11.3.1 During the period, the Company obtained a long-term financing facility amounting to Rs. 43.255 million from M/s. Dubai Islamic Bank Pakistan Limited (DIBPL) under the SBP's Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 of 2020 dated March 17, 2020.

The principal terms and conditions of the financing arrangement are as follows:

Purpose:	To import machineries for existing project and for the purpose of replacement of old machineries
Facility amount:	Rs. 150,000,000/=
Installment frequency:	Each tranche of the loan is to be repaid in 24 equal quarterly instalments.
Tenure:	The tenure of the each tranche of the facility is 7 years inclusive of 1 year grace period
Applicable mark up rate:	SBP Rate (1%) + Bank Spread (4%) p.a
Security	(1) 1st charge registered over specific plant and machinery amounting to Rs. 201.2 million. (2) 10% equity participation on invoice value and 10% in the form of duties & taxes (Aggregate 20% margin). (3) Personal guarantee of Mr. Mohammad Younus Nawab, Mr. Mohammad Irfan Nawab and Mr. Ibrahim Younus along with personal net worth statements.

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

		Note	**(Un-audited) December 31, 2021**	(Audited) June 30, 2021
			——— **Rupees** ———	
12.	**DEFERRED LIABILITIES**			
	Deferred government grant	*12.1*	**5,705,194**	575,113
	Provision for compensated absences		**161,144**	831,815
	Staff retirement benefits- defined benefit plan (gratuity)		**37,420,883**	34,683,517
	Provision for Gas Infrastructure Development Cess	*12.2*	**65,078,248**	69,446,121
			108,365,469	105,536,566
12.1	**Deferred government grant**			
	Balance as at the beginning of the period /year		**2,361,399**	3,980,113
	Add: Element of government grant recognized during the period /year		**7,784,582**	1,697,414
	Less: Amortization of government grant during the period /year		**(1,852,869)**	(3,316,128)
			5,931,713	(1,618,714)
			8,293,112	2,361,399
	Less: Current portion shown under current liabilities		**(2,587,918)**	(1,786,286)
			5,705,194	575,113

			(Un-audited) December 31, 2021	(Audited) June 30, 2021
12.2	**Provision for Gas Infrastructure Development Cess**	*Note*	——— **Rupees** ———	
	Opening balance		**69,446,121**	-
	Provision recognized during the period /year		**-**	63,915,582
	Interest on unwinding of the provision	*16*	**3,545,455**	5,530,539
			72,991,576	69,446,121
	Less: Current portion shown under current liabilities		**(7,913,328)**	-
			65,078,248	69,446,121
13.	**SHORT TERM BORROWINGS -secured**			
	Istisna financing			
	Habib Metropolitan Bank Limited	*13.1*	**280,878,391**	282,582,668
	Murabaha Financing			
	Standard Chartered Bank (Pakistan) Limited		**-**	123,076,417
	Bank Al Habib Limited	*13.2*	**122,628,318**	120,147,409
			122,628,318	243,223,826
	Wakala financing			
	Dubai Islamic Bank Limited	*13.3*	**133,630,585**	-
	Payment against documents			
	Dubai Islamic Bank Limited		**9,614,202**	**-**
			546,751,496	525,806,494

13.1 Short-term Istisna financing has been obtained, under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 300 million (June 30, 2021: Rs. 300 million) as a sub limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2021: 6 months KIBOR + 3% per annum). The maximum tenor of the Istisna Financing is 180 days.

The arrangement is secured against the following:

- 1st charge registered over land and building of Rs. 340 million and 1st charge over plant and machinery of Rs. 210 million making a total of Rs. 550 million with a 40% margin registered with the SECP duly insured in bank's favour covering all risks with premium payment receipt;
- 1st charge registered over stocks / receivables amounting to Rs. 400 million with a 25% margin duly insured in bank's favour covering all risks with premium payment receipt;
- 1st charge registered over exclusive and specific machinery amounting to Rs. 139.791 million with a 40% margin registered with SECP; and
- Personal guarantee of the directors Mr. Muhammad Younus Nawab, Mr. Muhammad Irfan Nawab, Mr. Muhammad Ibrahim Younus and Mr. Faizanullah.

13.2 Short-term murabaha has been obtained, under shariah arrangement, to facilitate the local procurement and import of raw material and other related items. The bank has approved a facility of Rs. 125 million (June 30, 2021: Rs. 125 million). The markup rate on murabaha facility is average KIBOR + 1.75%. The maximum tenor of the murabaha is 120 days.

The arrangement is secured against the following:

- Pari-Passu charge over stocks and receivables amounting to Rs. 167 million with a 25% margin;
- Import documents consigned to the order of Bank Al-Habib Limited;
- Equitable mortgage charge over land and building of Rs. 551.4 million constructed on Plot Survey No. 54 located at Deh Gondpass, situated at Top Gabopat, kemari Town, Karachi; and
- Personal guarantee of directors, Mr. Irfan Nawab, Mr. Ibrahim Younus and Mr. Younus Nawab, covering aggregate exposure.

13.3 Short-term wakala has been obtained, under shariah arrangement, for the manufacture of yarn. The bank has approved a facility of Rs. 134 million (June 30, 2021: Rs. Nil). The mark-up rate on the financing is 6 months KIBOR + 1.75% per annum (June 30, 2021: Nill). The maximum tenor of the wakala facility is 180 days.

The arrangement is secured against the following:

- First pari-passu charge over current assets of the company with 25% margin for Rs 180 million;
- First pari-passu charge over fixed assets (land and building) of the company for Rs 181 million on plot No. B-183 to B-188, B-197 to B-199, Private Khasra No. 760, 761, 767 & 770, HITE, Lasbella, Baluchistan
- Personal guarantee of directors, Mr. Mohammad Irfan Nawab, Mr. Ibrahim Younus and Mr. Mohammad Younus Nawab along with personal net worth statement.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There has been no change in the status of the contingent liability as reported in note 27.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2021.

14.2 Commitments

	(Un-audited) December 31, 2020	(Audited) June 30, 2021
	Rupees	
- Irrevocable letters of credit issued for purchase of raw materials and plant & equipment	**482,928,254**	351,347,589
- Custom duties, sales tax and income taxes on stock in transit.	**7,997,492**	5,018,520
- Revolving letter of guarantee issued by M/s Habib Metropolitan Bank Limited in favour of Sui Southern Gas Company Limited against gas bills.	**31,611,000**	29,376,705

15. SALES REVENUE - net

	Half year ended (Un-audited)		**Quarter ended (Un-audited)**	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
	Rupees			
Yarn sales - local	**1,468,395,690**	1,088,744,293	**728,258,025**	536,384,393
Raw material and wastage sales - local	**3,710,254**	24,202,572	**1,938,789**	5,269,989
	1,472,105,944	1,112,946,865	**730,196,814**	541,654,382

16. FINANCE COSTS

	Note	**(Un-audited) December 31, 2021**	(Un-audited) December 31, 2020
		Rupees	
Markup and interest charges on:			
- Long term finances		**2,554,764**	3,625,199
- Short term Islamic financing		**28,032,941**	12,861,081
- Lease liability		**2,167,239**	2,262,416
- Refinancing Scheme for payment of Wages and Salaries	*11.2*	**1,774,127**	2,935,124
- Islamic Temporary Economic Refinance Facility (ITERF)	*11.3*	**599,218**	-
		35,128,289	21,683,820
Bank charges		**259,712**	232,348
Finance charges on WPPF		**756,551**	-
Murabaha and D.M documentation charges		**104,915**	186,565
Interest on unwinding of the provision for Gas Infrastructure Development Cess	*12.2*	**3,545,455**	
Guarantee Commission		**178,906**	315,028
Local letter of credit charges		**88,601**	93,780
		40,062,429	22,511,540

		(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
17.	**OTHER INCOME**	——— Rupees ———	
	Rental Income- net		
	Rental Income	**18,451,800**	18,000,000
	Operations and maintenance charges	**1,926,209**	2,265,188
		20,378,009	20,265,188
	Less: Related expense		
	Depreciation on property, plant and equipment	**(3,967,997)**	(4,295,740)
	Depreciation on investment property	**(5,226,049)**	(5,226,047)
	Insurance and property taxes	**(412,840)**	(656,413)
		(9,606,886)	(10,178,200)
		10,771,123	10,086,988
	Returns on deposits - Islamic bank	**574,056**	494,557
	Profit on Habib Islamic Investment Certificate	**42,972**	37,922
	Profit on Term Deposit Receipt (TDR)	**594,700**	-
	Dividend income	**372,484**	-
	Gain on disposal of operating fixed assets	**-**	3,699,997
	Gain on disposal of short term investment	**235,692**	-
	Unrealised gain on remeasurement of short term investment	**39,711**	-
	Amortization of government grant	**1,852,869**	2,004,559
	Other	**64,016**	195,041
		14,547,623	16,519,064
18.	**TAXATION - net**		
	Current	**34,587,827**	-
	Prior year charge	**(18,498)**	(24,375)
		34,569,329	(24,375)
	Deferred tax expense / (income)	**(2,222,444)**	16,849,725
		32,346,885	16,825,350

19. EARNINGS PER SHARE - BASIC AND DILUTED

			Half Year ended		Quarter ended	
19.1	**Basic earnings per share**	*Note*	**December 31, 2021**	December 31, 2020	**December 31, 2021**	December 31, 2020
			---------- Rupees ----------			
	Profit after taxation		**94,450,922**	42,777,745	**51,961,524**	12,593,801
			——— Number ———			
				(Restated)		(Restated)
	Weighted average number of ordinary shares	*19.1.1*	**12,100,000**	9,858,063	**12,100,000**	9,858,063
			---------- Rupees ----------			
				(Restated)		(Restated)
	Earnings per share - basic		**7.81**	4.34	**4.29**	1.28

19.1.1 In accordance with the requirement of the International Accounting Standard (IAS) 33 *'Earnings Per Share'*, the basic earnings per share of the Company for the half yearly period and the quarter ended December 31, 2020 has been retrospectively adjusted for the effect of bonus element included in the rights issue made in March 2021 as well as the effect of bonus shares issued in November 2021.

19.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at December 31, 2021 and December 31, 2020.

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related party comprise of subsidiary companies, staff benefit fund, directors and key management personnel. The transactions entered into, and the balances held with, related parties during the period are as follows:

	Six months period ended	
	December 31, 2021	December 31, 2020
Transaction with related parties	**Rupees**	
SUBSIDIARIES		
Sana Logistics (Private) Limited		
Rental income	**16,992,000**	18,000,000
Rent received	**-**	14,896,962
Reimbursement of operation and maintenance expenses	**-**	1,944,579
Sana Distributors (Private) Limited		
Rental income	**1,459,800**	-
Rent received	**1,654,440**	-
Reimbursement of operation and maintenance expenses	**636,384**	-
KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS		
Mohammad Irfan Nawab (Chief Executive officer)		
Loan obtained during the period	**4,000,000**	-
Loan repaid during the period	**6,660,000**	200,000
Ibrahim Younus (Director)		
Loan obtained during the period	**-**	3,250,000
Loan repaid during the period	**-**	2,200,000
Muhammad Faizanullah (Director)		
Loan repaid during the period	**-**	500,000
Sabiha Younus (Spouse of Chairman)		
Loan repaid during the period	**-**	3,250,000
Rent paid during the period	**1,414,050**	1,564,025
Afshan Irfan (Spouse of Chief Executive)		
Loan obtained during the period	**10,000,000**	-
Loan repaid during the period	**10,000,000**	2,250,000
Rent paid during the period	**1,414,050**	1,564,025

Balances with related parties at the end of the reporting period	December 31, 2021	June 30, 2021
	——— Rupees ———	
SUBSIDIARIES		
Sana Logistics (Private) Limited		
Rent receivable	**48,960,000**	31,968,000
Receivable in respect of operation and maintenance expenses.	**10,204,881**	8,610,993
Sana Distributors (Private) Limited		
Rent receivable	**839,385**	1,216,500
Receivable in respect of operation and maintenance expenses.	**332,454**	295,729
KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS		
Mohammad Irfan Nawab (Chief Executive officer)		
Loan payable as of the reporting date	**2,000,000**	4,660,000
Afshan Irfan (Spouse of Chief Executive)		
Loan payable as of the reporting date	**2,000,000**	2,000,000

21. FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Following is the fair value hierarchy of the assets carried at fair value:

	Level 1	Level 2	Level 3	Total
As on December 31, 2021	---------- Amount in Rupees ----------			
Financial assets measured at fair value				
Short term investment in units of mutual funds	**6,541,557**	-	-	**6,541,557**
As on June 30, 2021				
Financial assets measured at fair value				
Short term investments	25,017,277	-	-	25,017,277

22. GENERAL

22.1 Date of authorization for issue of these interim financial statements

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

22.2 Level of rounding

Unless otherwise indicated, all figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest rupee.

22.3 Reclassification of corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made in these condensed interim unconsolidated financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Other receivables	Trade deposits and short term prepayments	44,803,027

22.4 Events after the reporting date

The Board of Directors has approved an interim cash dividend of Rs.1.5 at its meeting held on **February 25, 2022**. These condensed interim unconsolidated financial statements do not reflect the said appropriation.

Chief Executive Officer	Director	Chief Financial Officer

SANA INDUSTRIES LIMITED

CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)

As at December 31, 2021

	NOTE	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		-------- (Rupees) -------	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	**560,778,505**	507,994,328
Right-of-use assets		**51,795,571**	61,089,070
Long term deposits		**2,756,051**	2,756,051
Long term Advances		**22,407,800**	-
Deferred tax asset - net		**20,941,131**	27,299,528
		658,679,058	599,138,977
CURRENT ASSETS			
Stock-in-trade	5	**411,717,112**	286,554,036
Stores and spares		**11,389,870**	6,697,215
Short term investments		**18,664,856**	26,722,837
Trade debts		**662,833,386**	639,494,065
Loans and advances		**40,090,123**	36,883,156
Trade deposits, short term prepayments and other receivables		**17,901,651**	19,594,893
Tax refunds due from government		**124,020,818**	126,242,288
Cash and bank balances		**62,620,729**	130,132,866
		1,349,238,545	1,272,321,356
TOTAL ASSETS		**2,007,917,603**	1,871,460,333
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital		**200,000,000**	200,000,000
Issued, subscribed and paid-up capital		**121,000,000**	110,000,000
Reserves		**473,614,414**	414,202,450
Equity attributable to the shareholders of holding company		**594,614,414**	524,202,450
Non controlling Interest	6	**50,588,431**	45,372,567
Total equity		**645,202,845**	569,575,017
NON CURRENT LIABILITIES			
Long term financing	7	**64,361,484**	51,742,922
Lease liability		**55,431,554**	53,339,874
Deferred liabilites	8	**108,365,469**	105,791,292
		228,158,507	210,874,088
CURRENT LIABILITIES			
Trade and other payables		**311,251,034**	273,956,067
Advances from Customers		**12,507,518**	24,005,624
Accrued profit		**10,947,580**	9,967,323
Loans from directors and associates		**58,905,000**	49,256,135
Current portion of long term loans from a banking company	7	**98,963,278**	117,990,269
Current maturity of lease liability		**21,423,490**	24,925,670
Current maturity of deferred government grant		**3,438,487**	3,291,953
Unclaimed dividend		**1,933,849**	1,877,677
Short term Islamic finance	9	**607,272,686**	585,740,510
Current portion of the provision for Gas Infrastructure Development Cess		**7,913,328**	-
		1,134,556,251	1,091,011,228
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		**2,007,917,603**	1,871,460,333

The annexed notes from 1 to 15 form an integral part of these financial statements.

Chief Executive	Director	Chief Financial Officer

SANA INDUSTRIES LIMITED

CONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

For the six months and quarter ended December 31, 2021 (unaudited)

	NOTE	Half Year ended		Quarter ended	
		December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
		---------- Rupees ----------		---------- Rupees ----------	
Gross Turnover		**2,241,604,337**	1,274,547,345	**1,194,770,261**	622,694,768
less					
Sales tax		**(324,552,199)**	(188,234,689)	**(170,200,908)**	(91,727,192)
Commisons / returns and discounts		**(141,509,208)**	(2,005,540)	**(95,517,529)**	(1,964,247)
		1,775,542,931	1,084,307,117	**929,051,824**	529,003,330
Cost of sales	11	**(1,523,344,812)**	(942,880,356)	**(774,725,527)**	(459,338,730)
Gross profit		**252,198,119**	141,426,760	**154,326,297**	69,664,600
Selling and distribution expenses		**(15,663,884)**	(11,220,919)	**(7,926,061)**	(6,165,566)
Administrative expenses		**(53,630,348)**	(45,651,299)	**(27,411,433)**	(22,591,123)
Other operating expenses		**(9,952,002)**	(4,746,533)	**(5,924,136)**	(2,465,711)
Operating profit		**172,951,884**	79,808,009	**113,064,666**	38,442,200
Finance cost		**(50,684,342)**	(31,506,192)	**(27,870,722)**	(19,334,528)
Other Income		**6,378,207**	7,507,318	**5,093,883**	5,288,602
Profit for the period before taxation		**128,645,749**	55,809,135	**90,287,827**	24,396,274
Taxation		**(36,517,922)**	(20,169,857)	**(29,938,760)**	(16,765,419)
Profit after taxation		**92,127,828**	35,639,278	**60,349,067**	7,630,855
			(Restated)		(Restated)
Earning per share	12	**7.18**	3.05	**4.83**	0.68

The annexed notes from 1 to 15 form an integral part of these financial statements.

Chief Executive	Director	Chief Financial Officer

SANA INDUSTRIES LIMITED

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months and quarter ended December 31, 2021 (unaudited)

	Half Year ended		Quarter ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
	---------- Rupees ----------		---------- Rupees ----------	
Net profit for the period	**92,127,828**	35,639,278	**60,349,067**	7,630,855
Other comprehensive income	-	-	-	
Total comprehensive income for the period	**92,127,828**	35,639,278	**60,349,067**	7,630,855
Attributable to				
Owners Equity	**86,911,964**	36,957,657	**58,501,216**	8,286,981
Non-controlling interest	**5,215,864**	(1,318,379)	**1,847,852**	(656,126)
	92,127,828	35,639,278	**60,349,067**	7,630,855

The annexed notes from 1 to 15 form an integral part of these financial statements.

Chief Executive | Director | Chief Financial Officer

SANA INDUSTRIES LIMITED

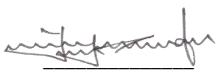
Condensed Interim Consolidated Statement of Changes in Equity

For the six months December 31, 2021 (unaudited)

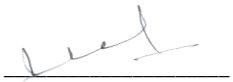
		REVENUE RESERVES					
	Issued, subscribed and paid-up capital	General reserve	Share Premium	Un-appropriated profit	Sub Total	Total equity attributable to the shareholders of Holding Company	Non-controlling interest
Balance as at July 01, 2020	85,937,500	132,500,000		163,594,422	296,094,422	382,031,922	39,362,086
Profit after taxation for the Half yearly ended December 31, 2020	-	-		35,639,278	35,639,278	35,639,278	-
Interim dividend for the period ended June 2021				(8,593,750)	(8,593,750)	(8,593,750)	-
Non-controlling interest arising on a business combination	-	-				-	(1,318,379)
Balance as at December 31, 2020	85,937,500	132,500,000	-	190,639,950	323,139,950	409,077,450	38,043,707
Balance as at July 01, 2021	**110,000,000**	**132,500,000**	**96,250,000**	**185,452,450**	**414,202,450**	**524,202,450**	**45,372,567**
Profit after taxation for the six months ended December 31, 2021	**-**	**-**		**86,911,964**	**86,911,964**	**86,911,964**	**-**
Interim dividend for the year ended June 30, 2021				**(16,500,000)**	**(16,500,000)**	**(16,500,000)**	
Bonus shares @ 10% for the year ended June 30,2021	**11,000,000**			**(11,000,000)**	**(11,000,000)**	**-**	
Non-controlling interest arising on a business combination	**-**	**-**	**-**	**-**	**-**	**-**	**5,215,864**
Balance as at December 31, 2021	**121,000,000**	**132,500,000**	**96,250,000**	**244,864,414**	**473,614,414**	**594,614,414**	**50,588,431**

The annexed notes from 1 to 15 form an integral part of these financial statements.

Chief Executive Officer



Director



Chief Financial Officer

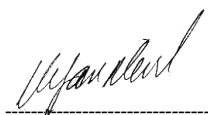
SANA INDUSTRIES LIMITED

CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT

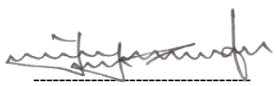
For the six months December 31, 2021 (unaudited)

	NOTE	December 31, 2021	December 31, 2020
		---------- R u p e e s ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation		**128,645,749**	55,809,135
Add/(Less): Adjustments for:			
Depreciation		**59,621,745**	57,890,801
Loss/(Gain) on disposal of fixed assets		**55,900**	(3,699,997)
Profit on PLS account		**(1,628,050)**	(567,907)
Provision for WPPF		**6,809,764**	3,217,481
Provision for gratuity		**4,949,764**	4,669,115
Workers' welfare fund		**2,587,710**	1,224,052
Provision for doubtful receivables		**498,628**	305,000
Amortization of government grant		**(2,762,692)**	(2,004,559)
Unrealized gain on remeasurement of short term investment		**(39,711)**	-
Gain on disposal of short term investment		**(235,692)**	-
Dividend income		**(372,484)**	-
Provision for gas rate difference		**7,002,061**	-
Finance cost		**50,684,342**	31,506,192
Cash provided by operating activities before working capital changes		**255,817,034**	148,349,314
(Increase)/decrease in current assets	13	**(150,400,156)**	(93,089,496)
Increase/(decrease) in current liabilities	13	**8,080,844**	13,660,147
		113,497,722	68,919,965
Finance cost		**(52,353,123)**	(50,313,436)
Staff Compensation benefit paid		**(2,883,068)**	(355,689)
Payment of Workers' profit participation fund		**(7,367,706)**	-
Payment of Workers' Welfare Fund		**(2,799,348)**	-
Income tax refunds received during the period		-	17,281,453
Taxes paid		**(34,740,290)**	(476,466)
Net cash inflow from operating activities		**13,354,187**	35,055,826
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		**(94,760,319)**	(16,339,343)
Profits received on bank accounts		**1,230,214**	580,534
Short term investment		**(4,598,850)**	-
Proceeds from short term investments / interest received		**24,016,077**	-
long term advances paid		**(22,407,800)**	-
Proceeds from sale of fixed assets		-	3,700,000
Net cash used in investing activities		**(96,520,679)**	(12,058,809)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts / (Re-payment) of Short term Islamic finance		**21,532,175**	(5,704,297)
Receipts / (Re-payment) of Diminishing Musharegqa		**(10,635,696)**	988,414
Repayment of loan against SBP Refinance facility for payment of wages and salaries		**(28,048,128)**	51,735,528
Loan received against Islamic Temporary Economic Refinance Facility		**43,255,760**	-
Payments of long-term liability		**(2,599,854)**	(7,838,178)
Repayment of lease liability (principal repayment)		**(1,054,939)**	(23,073,518)
Dividends paid		**(16,443,827)**	(8,580,074)
Loan re-payment from directors and sponsors		**9,648,865**	(24,400,000)
Net cash inflow from/(used in) financing activities		**15,654,355**	(16,872,125)
Net (decrease)/increase in cash and cash equivalents		**(67,512,137)**	6,124,893
Cash and cash equivalents at beginning of the period		**130,132,866**	61,711,634
Cash and cash equivalents at end of the period		**62,620,729**	67,836,527

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Executive



Director

SANA INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS
For the six months ended December 31, 2021 (unaudited)

1. THE GROUP AND ITS OPERATIONS

The group consist of Sana Industries Ltd. ("The Holding Company") and its subsidry companies Sana Logistics Pvt Ltd and Sana Distributors PvtLtd. Brief profile of Holding company and Subsidiry Company are as follows;

Sana Industries Limited (The Holding Company)
Sana Industries Limited (the Company) was incorporated in Pakistan as a public limited Company under the Companies Ordinance,

1.2 The geographical location and address of company's business units, including plant are as under:

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

- 'The Parent Company's manufacturing plant / mill is located at Hub trading estate, situated at Tehsil Hub, District Lasbela, Balochistan.

1.3 These condensed interim consolidated financial statements comprise of the Parent Company and its subsidiary company

Name of subsidiary company	***Effective % shareholding***
- Sana Logistics (Private) Limited	70.00%
- Sana Distributors (Private) Limited	99.99%

1.4 Sana Logistics Private Limited (The Subsidiary Company)

Sana Logistics Private Limited (the subsidiary Company) was incorporated in Pakistan as a private limited Company under the Companies Ordinance, 1984. The principle activity of the subsidiary company is to provide services in respect of Dry Storage through "compartmentalized store project.

1.5 Sana Distributors Private Limited (The Subsidiary Company)

Sana Distributors Private Limited (the subsidiary Company) was incorporated in Pakistan as a private limited Company under the Companies Ordinance, 1984. The principle activity of the subsidiary company is to solely distribute lubricant products all over Karachi.

2. STATEMENT OF COMPLIANCE

This Condensed interim consolidated financial information has been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) as notified under the Companies Act, 2017; and has been reviewed by the external auditors as required by the Code of Corporate Governance.

This condensed interim consolidated financial information does not include all the information required for preparation of full financial information and should be read in conjunction with the preceding published annual financial statements for the year ended June 30, 2021.

The comparative balance sheet presented in this condensed interim consolidated financial information as at December 31, 2021 has been extracted from audited financial statements of the company holding company for the year ended June 30, 2021, whereas the comparative profit and loss account, statements of changes in equity and cash flow statements for the half year ended December 31, 2021 have been subjected to review but not audit.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the preceding published annual financial statements of the company for the year ended June 30, 2021.

4. ESTIMATES AND JUDGMENTS

The significant judgment, estimates and assumptions used by the management in preparation of this condensed interim consolidated financial information are the same as those applied to the preceding published annual financial statements of the company for the year ended June 30, 2021.

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		---------- (Rupees) ----------	
4.	**TANGIBLE FIXED ASSETS**		
	Net book value (NBV) at the beginning of the period	**504,719,654**	563,346,992
Add:	Additions to tangible fixed assets	**37,034,648**	44,942,384
Less:	Disposals during the period (NBV)	**55,900**	6,384,157
	Depreciation charged during the period	**50,328,245**	97,185,565
		50,384,145	103,569,722
	Net book value (NBV) at the closieing of the period	**491,370,157**	504,719,654
	Capital work-in-progress	**69,408,348**	3,274,674
		560,778,505	507,994,328

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		---------- (Rupees) ----------	
5.	**STOCK-IN-TRADE**		
	Raw and packing material		
	- in hand	**157,432,392**	146,124,338
	- in transit	**48,535,064**	8,686,960
		205,967,456	154,811,298
	Work-in-process	**19,626,642**	13,904,366
	Finished goods	**185,030,764**	116,735,022
	Waste stock	**1,092,250**	1,103,350
		411,717,112	286,554,036
6.	**INVESTMENTS**		
	Non-Controlling Interest		
	Share of NCI (opening)	**45,372,567**	39,362,086
	Share in Profit / (Loss)	**5,215,864**	6,010,481
		50,588,431	45,372,567
7.	**LONG TERM FINANCING**		
	Diminishing musharaka	**72,057,632**	84,131,397
	Islamic Auto Finance	**2,209,349**	2,535,425
	Financing under SBP Refinance Scheme for Payment of Salaries and Wages	**52,731,374**	77,947,481
	Financing under Islamic Temporary Economic Refinance Facility (ITERF)	**36,070,396**	-
		163,068,750	164,614,303
	Less: Current portion	**(98,707,266)**	(112,871,381)
		64,361,484	51,742,922
8	**DEFERRED LIABILITIES**		
	Deferred government grant	**5,705,194**	829,839
	Provision for compensated absences	**161,144**	831,815
	Gas infrastruture development cess	**65,078,248**	69,446,121
	Staff retirement benefits	**37,420,883**	34,683,517
		108,365,469	105,791,292
9.	**SHORT-TERM ISLAMIC FINANCE - secured**		
	From commercial banks	**546,751,496**	585,740,510
10.	**CONTINGENCIES AND COMMITMENTS**		
10.1	**Contingencies**		
	Thre were no major changes in the contingencies as reported in the financial statements for the year ended June 30, 2021.		
10.2	**Commitments**		
	Custom duty and income tax on stock in transit	**7,997,492**	-
	Letter of gurantee issued by a commercial bank	**31,611,000**	29,376,305
	Irrevocable letter of credits	**482,928,254**	351,347,589

		Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
		---------- Rupees ----------			
11. COST OF SALES					
Opening stock finished goods and waste		**71,734,559**	94,020,268	**74,698,426**	59,402,576
Cost of goods manufactured		**1,585,792,644**	932,854,492	**834,209,492**	483,930,558
Closing stock finished goods and waste		**(134,182,391)**	(83,994,404)	**(134,182,391)**	(83,994,404)
		1,523,344,812	942,880,356	**774,725,527**	459,338,730
12. EARNING PER SHARE - BASIC AND DILUTED			(Restated)		(Restated)
Profit after taxation attributable to shareholders of the holding company	Rupees	**86,911,964**	36,957,657	**58,501,216**	8,286,981
Issued ordinary shares		**12,100,000**	12,100,000	**12,100,000**	12,100,000
Basic and diluted earnings per share	Rupees	**7.18**	3.05	**4.83**	0.68
13. WORKING CAPITAL CHANGES					
Decrease/(Increase) in current assets					
Stock-in-trade		**(125,163,076)**	21,075,313		
Stores and spares		**(4,692,655)**	(213,237)		
Short term investment		**8,057,981**	-		
Trade debts		**(23,339,321)**	(67,216,190)		
Advances		**(3,206,967)**	(39,706,497)		
Deposits, pre-payments and other receivables		**1,693,242**	(4,703,465)		
Sales tax refundable		**(3,749,360)**	(2,325,420)		
		(150,400,156)	(93,089,496)		
Increase/(decrease) in current liabilities					
Trade and other payables		**8,080,844**	13,660,147		

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, staff benefit funds, directors and key management personnel. The transactions with related parties are as follows:

Relationship	**Nature of transaction**		
Broowings from Directors and family member		**40,820,000**	16,520,000
Repayment of broowings from Directors and family member		**31,171,135**	5,111,135
Rent paid to director's family members		**4,242,150**	1,977,572

15. GENERAL

15.1 These financial statements were authorised for issue by the Board of Directors on 25th February, 2022.

15.2 Certain corresponding figures have been re-arranged wherever necessary for the purpose of comparison.

Chief Executive

Director

Chief Financial Officer