



CONDENSED INTERIM FINANCIAL
ACCOUNTS
(UN-AUDITED)

For the Period Ended
March 31, 2022

SANA Industries Limited

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

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COMPANY INFORMATION

Board of Directors

| | |
|----------------------------|-------------------|
| Mr. Mohammed Younus Nawab | - Director |
| 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 : 021-34322556 - 9
Fax : 021-32570833
E-mail : snai@sana-industries.com

Mills

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

Auditors

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

Legal Advisors

Zaki & Co.,
Advocates
21-A, Wahab Arcade,
M.A.Jinnah Road,
Karachi.
Phone: 021-32628998 / 021-32628999

Bankers

Habib Metropolitan Bank Limited.
Bank Al Habib Limited.
Dubai Islamic Bank Limited.

Share Registrars

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

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

DIRECTORS' REPORT

The Directors take pleasure in submitting their report together with operational and financial results of the company, for the 3rd quarter/ 9 months ended March 31, 2022.

For the 9 months under consideration, the company secured a consolidated net topline of Rs. 2.786 billion against Rs. 1.82 billion for the same period last year, significantly increasing its turnover by 53%. Consolidated gross profit margin clocked at 11.9% as compared to 11.9% for the same period last year. Consolidated net profit margin clocked at 4.2% as compared to 3.5% for the same period last year.

During the period under review:

- The consolidated profit after tax during the period under review clocked at Rs. 117.14 million as compared to Rs. 64.85 million during the corresponding period last year, showing a lift of 80.6%.
- The unconsolidated profit after tax during the period under review clocked at Rs. 111.58 million as compared to Rs. 75.23 during the corresponding period last year, showing a lift of 48.32%.

In order to facilitate our shareholders, following comparisons of operating and financial data are annexed:

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

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

FUTURE PROSPECTS

The future 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.

Capacity Enhancement Project:

As reported previously, machinery to the tune of USD 976,832/- out of total project size of USD 2,241,440/- has arrived at the production facility and its installation is under way. Remaining machinery to the tune of USD 1,264,608/- is expected to arrive by September 2022 following which production with enhanced capacity shall be actuated by November 2022.

This project shall increase the current production capacity from 31,488 to 39,588, an uplift of 25.72%.

DIVIDEND/BONUS ISSUE/ RIGHT ISSUE

The directors have decided to skip payment of any interim dividend for consolidation with the final dividend.

No bonus/ right issue has been announced during the period.

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.

On behalf of the Board



(Mohammed Irfan Nawab)
Chief Executive.

Karachi: April 27th, 2022.

Annexure to Directors' Report
(Rupees in millions)

Consolidated comparison with previous quarter
Annexure A

| Covering period FROM TO | 01-Jan-2022 | 01-Oct-2021 | VARIATION | |
|---|-------------|-------------|-----------|------------|
| | 31-Mar-2022 | 31-Dec-2021 | Amount | Percentage |
| Turnover - net | 1,011.37 | 929.05 | 82.32 | 8.86% |
| Cost of Sales | 929.33 | 774.73 | 154.60 | 19.96% |
| Gross Profit | 82.05 | 154.33 | (72.28) | -46.84% |
| G.P.Rate to Sales | 8.11% | 16.61% | | -8.50% |
| Administrative, Selling, Financial & Other expenses | 65.66 | 69.13 | (3.47) | -5.03% |
| Other income | 11.83 | 5.09 | 6.73 | 132.16% |
| Operating Profit before tax | 28.21 | 90.29 | (62.07) | -68.75% |
| Operating Profit to sales ratio | 2.79% | 9.72% | | |
| Earning per share (before tax) | 2.33 | 7.46 | (5.13) | -68.77% |

Consolidated comparison with corresponding quarter of last year
Annexure B

| Covering period FROM TO | 01-Jan-2022 | 01-Jan-2021 | VARIATION | |
|---|-------------|-------------|-----------|------------|
| | 31-Mar-2022 | 31-Mar-2021 | Amount | Percentage |
| Turnover - net | 1,011.37 | 744.95 | 266.43 | 35.76% |
| Cost of Sales | 929.33 | 668.35 | 260.98 | 39.05% |
| Gross Profit | 82.05 | 76.60 | 5.45 | 7.11% |
| G.P.Rate to Sales | 8.11% | 10.28% | | |
| Administrative, Selling, Financial & Other expenses | 65.66 | 56.35 | 9.30 | 16.51% |
| Other income | 11.83 | 6.23 | 5.59 | 89.68% |
| Operating Profit before tax | 28.21 | 26.48 | 1.73 | 6.55% |
| Operating Profit to sales ratio | 2.79% | 3.55% | | |
| Earning per share (before tax) | 2.33 | 2.70 | (0.37) | -13.70% |

Comparison with corresponding of last year
Annexure C

| Covering period FROM TO | 01-Jul-2021 | 01-Jul-2020 | VARIATION | |
|---|-------------|-------------|-----------|------------|
| | 31-Mar-2022 | 31-Mar-2021 | Amount | Percentage |
| Turnover - net | 2,786.92 | 1,829.25 | 957.66 | 52.35% |
| Cost of Sales | 2,452.67 | 1,611.23 | 841.45 | 52.22% |
| Gross Profit | 334.24 | 218.03 | 116.22 | 53.30% |
| G.P.Rate to Sales | 11.99% | 11.92% | | |
| Administrative, Selling, Financial & Other expenses | 195.59 | 149.48 | 46.11 | 30.85% |
| Other income | 18.20 | 13.74 | 4.46 | -32.47% |
| Operating Profit before tax | 156.86 | 82.29 | 74.57 | -90.62% |
| Operating Profit to sales ratio | 5.63% | 4.50% | | |
| Provision for Taxation | 39.72 | 17.44 | 22.27 | 127.70% |
| Profit after Taxation | 117.14 | 64.85 | 52.29 | 80.64% |
| - Shareholders of the Holding Company | 107.49 | 68.34 | | |
| - Non - controlling interest | 9.66 | (3.49) | | |
| | 117.14 | 64.85 | | |
| | | (restated) | | |
| Earning per share (before tax) | 12.96 | 8.35 | 4.61 | 55.21% |
| Earning per share (after tax) | 8.88 | 6.93 | 1.95 | 28.14% |

COMPARISON OF BALANCE SHEET OF THREE QUARTERS

Annexure "D"

| | 1ST QUARTER 30-Sep-2021 Rupees | 2ND QUARTER 31-Dec-2021 Rupees | 3RD QUARTER 31-Mar-2022 Rupees |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, Plant and equipments | 490,409,226 | 560,778,505 | 700,472,211 |
| Right to use assers | 56,442,321 | 51,795,571 | 47,148,821 |
| Long-term deposits | 2,756,051 | 22,407,800 | 2,756,051 |
| Long term Advances | - | 22,407,800 | 14,411,000 |
| Deferred tax asset - net | 23,409,233 | 20941130.7 | 27,050,265 |
| | ----- | ----- | ----- |
| | 573,016,830 | 658,679,058 | 791,838,348 |
| CURRENT ASSETS | | | |
| Stock-in-trade | 292,737,355 | 411,717,112 | 439,135,188 |
| Stores and spares | 9,357,758 | 11,389,870 | 15,213,572 |
| Short term investment | 49,272,832 | 18,664,856 | 15,881,755 |
| Trade debts- unsecured, considered good | 694,331,312 | 662,833,386 | 624,386,210 |
| Advances | 19,960,068 | 40,090,123 | 36,764,036 |
| Trade deposits, short term prepayments and other receivables | 38,097,271 | 17,901,651 | 287,636,243 |
| Tax refunds due from government | 184,931,317 | 124,020,818 | 131,801,008 |
| Cash and bank balances | 92,289,578 | 62,620,729 | 82,659,853 |
| | 1,380,977,491 | 1,349,238,545 | 1,633,477,864 |
| | ----- | ----- | ----- |
| TOTAL ASSETS | 1,953,994,321 | 2,007,917,603 | 2,425,316,212 |
| | ===== | ===== | ===== |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share Capital | 110,000,000 | 121,000,000 | 121,000,000 |
| Reserves | 442,613,198 | 473,614,414 | 485,697,019 |
| | ----- | ----- | ----- |
| Attributable to equity holders of the parent | 552,613,198 | 594,614,414 | 606,697,019 |
| Non-controlling interest | 48,740,579 | 50,588,431 | 55,028,632 |
| | ===== | ===== | ===== |
| | 601,353,777 | 645,202,845 | 661,725,651 |
| NON CURRENT LIABILITIES | | | |
| Diminishing Mushareqa | 33,950,049 | 64,361,484 | 160,312,807 |
| Lease Liability | 58,230,509 | 55,431,554 | 59,895,155 |
| Deferred Liabilities | 107,590,917 | 108,365,469 | 100,765,648 |
| | 199,771,475 | 228,158,507 | 320,973,610 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 357,962,369 | 311,251,034 | 603,125,350 |
| Advances from Customers | 17,879,210 | 12,507,518 | 63,332,049 |
| Accrued profit | 9,714,201 | 10,947,580 | 21,732,946 |
| Borrowings from Directors and sponsors | 60,665,000 | 58,905,000 | 55,915,516 |
| Current portion of long term loans from a banking company | 107,154,890 | 98,963,278 | 74,055,112 |
| Current maturity of lease liability | 18,088,121 | 21,423,490 | 12,393,173 |
| Current maturity of deferred government grant | 2,202,584 | 3,438,487 | 1,012,654 |
| Unclaimed dividend | 1,877,676 | 1,933,849 | 2,000,135 |
| Short term Islamic finance | 577,325,018 | 607,272,686 | 597,180,022 |
| Current portion of the provision for Gas Infrastructure Development Cess | - | 7,913,328 | 11,869,993 |
| | 1,152,869,069 | 1,134,556,251 | 1,442,616,951 |
| | ----- | ----- | ----- |
| CONTINGENCIES AND COMMITMENTS | - | - | - |
| | ----- | ----- | ----- |
| TOTAL EQUITY AND LIABILITIES | 1,953,994,321 | 2,007,917,603 | 2,425,316,212 |
| | ===== | ===== | ===== |
| Debt Equity Ratio | 24.94% | 26.12% | 32.66% |
| Current Ratio | 1.20 | 1.19 | 1.13 |

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

| | 1ST QUARTER 30-Sep-2021 Rupees | 2ND QUARTER 31-Dec-2021 Rupees | 3RD QUARTER 31-Mar-2022 Rupees | Y.T.D. 31-Mar-2022 Rupees |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|
| Turnover-net | 846,491,107 | 929,051,824 | 1,011,374,708 | 2,786,917,638 |
| Cost of sales | (748,619,285) | (774,725,527) | (929,328,418) | (2,452,673,230) |
| Gross profit | 97,871,822 | 154,326,297 | 82,046,290 | 334,244,408 |
| G.P.Rate | 11.56% | 16.61% | 8.11% | 11.99% |
| General and administration expenses | (26,218,915) | (27,411,433) | (29,829,476) | (83,459,824) |
| Selling and distribution expenses | (7,737,823) | (7,926,061) | (3,570,207) | (19,234,091) |
| Other operating expenses | (4,027,866) | (5,924,136) | (970,694) | (10,922,696) |
| Operating profit | 59,887,218 | 113,064,666 | 47,675,913 | 220,627,797 |
| Finance cost | (22,813,620) | (27,870,722) | (31,287,029) | (81,971,370) |
| Other income | 1,284,323 | 5,093,883 | 11,826,035 | 18,204,243 |
| Profit for the period before taxation | 38,357,922 | 90,287,827 | 28,214,920 | 156,860,670 |
| Provision for taxation | (6,579,162) | (29,938,760) | (3,198,180) | (39,716,101) |
| Profit / Loss after taxation | 31,778,760 | 60,349,067 | 25,016,740 | 117,144,569 |
| Earning per share before taxation | 3.17 | 7.46 | 2.33 | 12.96 |
| Earning per share after taxation | | | | 8.88 |

SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2022 (UN-AUDITED)

| | NOTE | March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
|---|------|-----------------------------------|-------------------------------|
| | | ----- (Rupees) ----- | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property , plant and equipment | 5 | 508,210,032 | 321,243,043 |
| Right-of-use assets | | 20,974,538 | 23,970,900 |
| Investment property | | 41,840,478 | 52,239,813 |
| Investments | 6 | 94,999,990 | 94,999,990 |
| Long term deposits and prepayments | | 2,756,051 | 2,756,051 |
| Long term advances | | 14,411,000 | - |
| Deffered tax assets | | 18,383,870 | 13,360,749 |
| | | 701,575,958 | 508,570,546 |
| CURRENT ASSETS | | | |
| Stock-in-trade | 7 | 333,553,202 | 240,450,223 |
| Stores and spares | | 15,213,572 | 6,697,215 |
| Short term investment | | 5,456,755 | 26,722,832 |
| Trade debts- unsecured, considered good | | 459,967,770 | 441,291,605 |
| Loans and advances | | 36,764,036 | 35,758,481 |
| Trade deposits and short-term pre-payments | | 5,174,414 | 1,940,484 |
| Other receivables | | 69,010,600 | 44,803,027 |
| Tax refunds due from government | 8 | 68,702,313 | 80,600,473 |
| Cash and bank balances | | 64,789,452 | 98,496,842 |
| | | 1,058,632,114 | 976,761,181 |
| TOTAL ASSETS | | 1,760,208,072 | 1,485,331,728 |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 10,000,000 Ordinary shares of Rs. 10/- each | | 200,000,000 | 200,000,000 |
| Issued, subscribed and paid-up capital | | | |
| 12,100,000 (March 31, 2022: 12,100,000) Ordinary shares of Rs. 10/- each | | 121,000,000 | 110,000,000 |
| Reserves | | 468,816,113 | 402,806,923 |
| Shareholder's equity | | 589,816,113 | 512,806,923 |
| NON CURRENT LIABILITIES | | | |
| Long term loans from a banking company | 9 | 153,990,999 | 35,652,805 |
| Lease liability | | 28,260,257 | 24,774,275 |
| Deferred Liabilities | 10 | 98,548,780 | 105,536,566 |
| | | 280,800,035 | 165,963,646 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 261,737,740 | 191,715,008 |
| Finance Cost payable | | 20,705,682 | 9,381,038 |
| Loans from directors & sponsors | | 4,460,516 | 6,660,000 |
| Current portion of long term loans from a banking company | 9 | 46,486,373 | 63,625,801 |
| Current portion of lease liability | | 2,617,950 | 5,708,856 |
| Current maturity of deferred government grant | | 511,977 | 1,786,286 |
| Unclaimed dividend | | 2,000,135 | 1,877,676 |
| Short term borrowings | 11 | 537,223,226 | 525,806,494 |
| Current portion of the provision for the Gas Infrastrutuctre Development Cess | | 13,848,325 | - |
| Taxation - net | 8 | - | - |
| | | 889,591,924 | 806,561,159 |
| CONTINGENCIES AND COMMITMENTS | 12 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 1,760,208,072 | 1,485,331,728 |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Director



Chief Executive



Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2022 (UN-AUDITED)

| | Three Quarters ended | | Quarter ended | |
|---------------------------------------|------------------------|-------------------|----------------------|-------------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| | ----- Rupees ----- | | ----- Rupees ----- | |
| Turnover - Gross | 2,268,611,018 | 1,676,506,357 | 796,505,074 | 666,554,244 |
| Less: Sales tax | (341,765,858) | (169,569,928) | (121,199,027) | (100,989,212) |
| | 1,926,845,160 | 1,506,936,429 | 675,306,047 | 565,565,032 |
| Cost of sales | (1,665,483,762) | (1,333,408,388) | (620,150,674) | (502,864,673) |
| Gross profit | 261,361,398 | 173,528,041 | 55,155,373 | 62,700,359 |
| Selling and distribution expenses | (10,444,585) | (15,862,476) | (1,090,362) | (5,591,755) |
| Administrative expenses | (52,903,954) | (47,501,459) | (18,316,767) | (17,286,600) |
| Other operating expenses | (10,922,696) | (7,137,926) | (970,694) | (2,391,393) |
| Operating profit | 187,090,163 | 103,026,181 | 34,777,550 | 37,430,611 |
| Finance costs | (67,169,327) | (38,057,156) | (27,106,898) | (15,545,616) |
| Other operating income | 13,375,314 | 11,702,110 | 9,598,814 | 5,270,034 |
| Rental income - net | 13,270,945 | 15,181,368 | 2,499,822 | 5,094,380 |
| Profit before taxation | 146,567,096 | 91,852,503 | 19,769,289 | 32,249,409 |
| Provision for taxation | (40,007,078) | 24,375 | (5,437,749) | - |
| Deferred taxation | 5,023,121 | (16,644,618) | 2,800,677 | 205,107 |
| | (34,983,957) | (16,620,244) | (2,637,072) | 205,107 |
| Profit after taxation | 111,583,139 | 75,232,259 | 17,132,217 | 32,454,516 |
| Earning per share - Basic and Diluted | 14 | 9.22 | 1.42 | 3.35 |
| | | Restated | | Restated |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Director



Chief Executive



Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2022 (UN-AUDITED)

| | Three Quarters ended | | Quarter ended | |
|---|----------------------|-------------------|--------------------|-------------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| | ----- Rupees ----- | | ----- Rupees ----- | |
| Profit for the period | 111,583,139 | 75,232,259 | 17,132,217 | 32,454,516 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 111,583,139 | 75,232,259 | 17,132,217 | 32,454,516 |
| | ===== | ===== | ===== | ===== |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Director



Chief Executive



Chief Financial Officer

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Changes in Equity

For the three quarters ended March 31, 2022 (unaudited)

| | Issued, subscribed and paid up capital | Capital reserve | Revenue reserves | | Total |
|--|---|--------------------------|---------------------------|---------------------------|---------------------------|
| | | Share premium | General reserves | Unappropriated profits | |
| 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 three quarter ended March 31, 2021 | - | - | - | 42,777,745 | 42,777,745 |
| Balance as at March 31, 2021 | <u>85,937,500</u> | <u>-</u> | <u>132,500,000</u> | <u>161,248,470</u> | <u>379,685,970</u> |
| Balance as at July 01, 2021 | 110,000,000 | 96,250,000 | 132,500,000 | 174,132,974 | 512,882,974 |
| 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) | - |
| - Dividend paid for the Half Year ended December 30, 2021 @ Rs. 1.5/- per share | - | - | - | (18,150,000) | (18,150,000) |
| | 11,000,000 | - | - | (45,650,000) | (34,650,000) |
| Total comprehensive income for the three quarter ended March 31, 2022 | - | - | - | 111,583,139 | 111,583,139 |
| Balance as at March 31, 2022 | <u>121,000,000</u> | <u>96,250,000</u> | <u>132,500,000</u> | <u>240,066,113</u> | <u>589,816,113</u> |


The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Director



Chief Executive



Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2022 (UN-AUDITED)

| | March 31, 2022 | March 31, 2021 |
|--|--------------------|-------------------|
| | ----- Rupees ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net profit before taxation | 146,567,096 | 91,852,503 |
| Adjustments for: | | |
| Depreciation | 62,732,681 | 60,532,597 |
| Gain on sale of fixed assets | (10,142,850) | (7,750,003) |
| Provision for gratuity | 7,424,647 | 7,049,531 |
| Provision for GIDC and gas rate difference | 16,079,623 | - |
| Provision for workers welfare fund | 2,992,306 | 2,188,405 |
| Provision for workers profit participation fund | 7,874,490 | 4,949,521 |
| Profit on bank deposits | 1,472,142 | (682,864) |
| Finance costs | 67,169,327 | 38,057,156 |
| | ----- | ----- |
| Cash generated by operating activities before working capital changes | 302,169,461 | 196,196,845 |
| | | |
| (Increase) / decrease in current assets | (122,724,206) | (234,548,937) |
| (Decrease) / Increase in current liabilities | 59,598,386 | 21,913,432 |
| | ----- | ----- |
| | 239,043,642 | (16,438,660) |
| | | |
| Finance costs | (45,174,152) | (53,063,354) |
| Staff benefits paid | (4,912,397) | (2,273,136) |
| Payment of Workers' profit participation fund | (7,367,706) | (1,490,416) |
| Payment of Workers' Welfare Fund | (2,799,348) | - |
| Compensated absences paid | (689,509) | - |
| Income taxes paid | (24,915,074) | (20,082,894) |
| Income tax refunds received during the period | - | 17,281,453 |
| | ----- | ----- |
| Net cash inflow from operating activities | 153,185,455 | (76,067,006) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (236,359,872) | (36,645,759) |
| Profit received from PLS saving accounts | (1,472,142) | (689,870) |
| Short term investments | 21,266,077 | - |
| Long term advances paid | (14,411,000) | - |
| Investment in subsidiary | - | (60,000,000) |
| Proceeds from sale of operating fixed assets | 10,205,200 | 11,741,370 |
| Net cash used in investing activities | (220,771,737) | (85,594,259) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts / (Repayments) under short term morabaha | 11,416,732 | 52,243,759 |
| Receipts / (Repayments) under long term musharaka | 3,544,800 | 32,982,874 |
| Advance against equity | - | 65,850,050 |
| Repayment of loan against SBP Refinance facility for payment of wages and salaries | (23,852,637) | - |
| Loan received against Islamic Temporary Economic Refinance Facility | 82,325,123 | - |
| Loans from directors & sponsors-net | (2,199,484) | (8,150,000) |
| Lease liability repayments | (2,828,100) | (4,542,100) |
| Dividends paid | (34,527,541) | (8,580,074) |
| Net cash inflow from/(used in) financing activities | 33,878,893 | 129,804,509 |
| | ----- | ----- |
| Net (decrease) / increase in cash and cash equivalents | (33,707,390) | (31,856,757) |
| Cash and cash equivalents at beginning of the period | 98,496,842 | 53,312,333 |
| | ----- | ----- |
| Cash and cash equivalents at the end of the period | 64,789,452 | 21,455,576 |
| | ===== | ===== |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Director


Chief Executive


Chief Financial Officer

SANA INDUSTRIES LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2022 (UN-AUDITED)

1. NATURE OF BUSINESS

Sana Industries Limited (the Company) was incorporated in Pakistan under the Companies Ordinance, 1984 (the Ordinance) [now Companies Act, 2017] and is listed on the Pakistan Stock Exchange. The Company is primarily engaged in the manufacturing and sale of man-made blended yarn.

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

- The registered office of the Company is situated at 33-D-2, Block 6, P.E.C.H.S., Karachi, Pakistan.
- The Company's manufacturing plant / mill is located at Hub trading estate, situated at Tehsil Hub, District Lasbela, Balochistan.

1.3 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

2. STATEMENT OF COMPLIANCE

This unconsolidated Condensed interim 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 Provisions of and directives issued under the Companies Act, 2017.

This unconsolidated condensed interim financial information does not include all the information required for preparation of full

The comparative balance sheet presented in this unconsolidated condensed interim financial information as at March 31, 2022 has been extracted from audited financial statements of the 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 third quarter ended extracted from March 31, 2021 financial statements.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim 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 three quarter 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.

5. PROPERTY, PLANT AND EQUIPMENT

| | March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
|---|--|--|
| | ----- (Rupees) ----- | |
| Net book value (NBV) at the beginning of the period | 321,243,043 | 355,849,999 |
| Add: Additions to tangible fixed assets | 41,524,142 | 37,937,546 |
| Less: Disposals during the period (NBV) | 55,900 | 6,384,157 |
| Depreciation charged during the period | 49,336,983 | 66,160,345 |
| | 49,392,883 | 72,544,502 |
| Net book value (NBV) at the closing of the period | 313,374,302 | 321,243,043 |
| Capital work-in-progress | 194,835,730 | - |
| | 508,210,032 | 321,243,043 |
| | ===== | ===== |

| | March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
|--|-----------------------------------|-------------------------------|
| | ----- (Rupees) ----- | |
| 5.1 ADDITIONS | | |
| Land and Building on leasehold land | - | 1,261,200 |
| Office premises - SF/96 | - | - |
| Plant and machinery | 19,202,277 | 15,020,763 |
| Electrification - Factory building | - | - |
| Furniture, fixtures and office equipments | 5,010,673 | 438,175 |
| Vehicles | 16,600,250 | 20,784,483 |
| Computers | 710,943 | 432,925 |
| | ----- | ----- |
| | 41,524,142 | 38,148,546 |
| | ===== | ===== |
| 6. INVESTMENTS | | |
| Equity investments | | |
| -Sana Logistics Private Limited | 35,000,000 | 35,000,000 |
| -Sana Distributors Private Limited | 59,999,990 | 59,999,990 |
| | ----- | ----- |
| | 94,999,990 | 94,999,990 |
| | ===== | ===== |
| Represents equity investment in Sana Logistics Pvt Ltd. As of the balance sheet date, Sana Industries Ltd. owns 70 percent shares in Sana Logistics Pvt. | | |
| 7. STOCK-IN-TRADE | | |
| Raw and packing material | | |
| - in hand | 163,309,796 | 146,124,338 |
| - in transit | 43,030,885 | 8,686,960 |
| | ----- | ----- |
| | 206,340,682 | 154,811,298 |
| | ----- | ----- |
| Work-in-process | 21,183,224 | 13,904,366 |
| Finished goods | 105,624,946 | 70,631,209 |
| Waste stock | 404,350 | 1,103,350 |
| | ----- | ----- |
| | 333,553,202 | 240,450,223 |
| | ===== | ===== |
| 8. TAX REFUNDS DUE FROM GOVERNMENT | | |
| Tax refunds due from government - Income Tax | 55,687,312 | 59,867,448 |
| Advance income tax | 29,872,459 | 27,689,118 |
| Sales tax refundable | 23,168,118 | 24,978,898 |
| Provision for taxation | (40,025,576) | (31,934,991) |
| | ----- | ----- |
| | 68,702,313 | 80,600,473 |
| | ===== | ===== |
| 9. Long term Musharaka under shariah arrangement | | |
| Diminishing Musharaka from commercial banks | 9.1 44,987,114 | 56,279,551 |
| Refinance Scheme for Payment of Wages and Salaries | 21,668,698 | 42,999,055 |
| Islamic Temporary Economic Refinance Facility (ITERF) | 133,821,560 | - |
| | ----- | ----- |
| | 200,477,372 | 99,278,606 |
| Less: Current maturity shown under current liabilities | (46,486,373) | (63,625,801) |
| | ----- | ----- |
| | 153,990,999 | 35,652,805 |
| | ===== | ===== |
| 9.1. Securities for the above diminishing musharaka facilities include exclusive charge over the assets financed by the respective banks and personal guarantees of the directors. | | |
| 10. DEFERRED LIABILITIES | | |
| Provision for compensated absences | 142,306 | 831,815 |
| Deferred taxation | - | - |
| Deferred government grant | 227,419 | 575,113 |
| Staff retirement benefits | 37,195,766 | 34,683,517 |
| Provision for Gas Infrastructure Development Cess | 60,983,288 | 69,446,121 |
| | ----- | ----- |
| | 98,548,780 | 105,536,566 |
| | ===== | ===== |
| 11. SHORT TERM BORROWINGS | | |
| Istisna financing: | | |
| Habib Metropolitan Bank Limited | 278,875,195 | 282,582,668 |
| Murabaha financing: | | |
| Habib Metropolitan Bank Limited | - | - |
| Standard Chartered Bank Limited | - | 123,076,417 |
| Bank Al Habib Limited | 124,503,919 | 120,147,409 |
| | ----- | ----- |
| | 124,503,919 | 243,223,826 |
| Wakala | | |
| Dubai Islamic Bank Limited | 133,844,112 | - |
| | ----- | ----- |
| | 537,223,226 | 525,806,494 |
| | ===== | ===== |

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There were no major changes in the contingencies as reported in the financial statements for the three quarters ended March 31, 2022.

12.2 Commitments

| | | |
|--|-------------|-------------|
| Custom duty and income tax on stock in transit | 587,836 | 5,018,520 |
| | ===== | ===== |
| Outstanding letter of credits | 227,046,402 | 351,347,589 |
| | ===== | ===== |
| Letters of guarantee issued by a commercial bank | 384,669,763 | 29,376,305 |

| | Three Quarters Ended | | Quarter ended | |
|--|----------------------|-------------------|--------------------|-------------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| | ----- Rupees ----- | | ----- Rupees ----- | |
| 13. COST OF SALES | | | | |
| Opening stock finished goods and waste | 71,734,559 | 94,020,268 | 134,182,391 | 83,994,404 |
| Cost of goods manufactured | 1,699,778,499 | 1,311,345,600 | 591,997,579 | 490,827,750 |
| Closing stock finished goods and waste | (106,029,296) | (71,957,480) | (106,029,296) | (71,957,480) |
| | ===== | ===== | ===== | ===== |
| | 1,665,483,762 | 1,333,408,388 | 620,150,674 | 502,864,674 |
| | ===== | ===== | ===== | ===== |
| 14. EARNING PER SHARE - BASIC AND DILUTED | | | | |
| Profit after taxation | Rupees 111,583,139 | 75,232,259 | 17,132,217 | 32,454,516 |
| Issued ordinary shares | 12,100,000 | 9,693,750 | 12,100,000 | 9,693,750 |
| Basic and diluted earnings per share | Rupees 9.22 | 7.76 | 1.42 | 3.35 |
| | ===== | ===== | ===== | ===== |
| | | Restated | | Restated |

15. TRANSACTIONS WITH RELATED PARTIES

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

| Relationship | Nature of transaction | Three Quarters ended | |
|---|-------------------------------|-----------------------------------|-------------------------------|
| | | March 31, 2022 | March 31, 2021 |
| | | ----- Rupees ----- | |
| Staff retirement benefit plans | Contribution to gratuity fund | 7,424,647 | 7,049,531 |
| Borrowings from Directors' family member | | 10,000,000 | 49,250,000 |
| Repayment of borrowings from Directors' family member | | 12,000,000 | 49,250,000 |
| Rent paid to director's family members | | 4,855,500 | 4,542,100 |
| Rental income from subsidiary company | | 27,173,700 | 30,105,705 |
| | | March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
| Outstanding balances as of period end / year end : | | ----- (Rupees) ----- | |
| Borrowings from Directors' family member | | - | 7,760,000 |
| Receivable from subsidiary company | | 67,189,271 | 29,732,985 |

16. DATE OF AUTHORIZATION FOR ISSUE

16.1 These financial statements were authorised for issue on 27 April 2022 by the Board of Directors of the Company.

17. GENERAL

17.1 Amounts have been rounded off to the nearest Rupee.



Director



Chief Executive



Chief Financial Officer


SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)
As at March 31, 2022

| | NOTE | March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
|--|------|-----------------------------------|-------------------------------|
| ----- (Rupees) ----- | | | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 700,472,211 | 507,994,328 |
| Right-of-use assets | | 47,148,821 | 61,089,070 |
| Long term deposits | | 2,756,051 | 2,756,051 |
| Long term Advances | | 14,411,000 | - |
| Deferred tax asset - net | | 27,050,265 | 27,299,528 |
| | | 791,838,348 | 599,138,977 |
| CURRENT ASSETS | | | |
| Stock-in-trade | 5 | 439,135,188 | 286,554,036 |
| Stores and spares | | 15,213,572 | 6,697,215 |
| Short term investments | | 15,881,755 | 26,722,837 |
| Trade debts | | 624,386,210 | 639,494,065 |
| Loans and advances | | 36,764,036 | 36,883,156 |
| Trade deposits, short term prepayments and other receivables | | 287,636,243 | 19,594,893 |
| Tax refunds due from government | | 131,801,008 | 126,242,288 |
| Cash and bank balances | | 82,659,853 | 130,132,866 |
| | | 1,633,477,864 | 1,272,321,356 |
| TOTAL ASSETS | | 2,425,316,212 | 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 | | 485,697,019 | 414,202,450 |
| Equity attributable to the shareholders of holding company | | 606,697,019 | 524,202,450 |
| Non controlling Interest | 6 | 55,028,632 | 45,372,567 |
| Total equity | | 661,725,651 | 569,575,017 |
| NON CURRENT LIABILITIES | | | |
| Long term financing | 7 | 160,312,807 | 51,742,922 |
| Lease liability | | 59,895,155 | 53,339,874 |
| Deferred liabilities | 8 | 100,765,648 | 105,791,292 |
| | | 320,973,610 | 210,874,088 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 603,125,350 | 273,956,067 |
| Advances from Customers | | 63,332,049 | 24,005,624 |
| Accrued profit | | 21,732,946 | 9,967,323 |
| Loans from directors and associates | | 55,915,516 | 49,256,135 |
| Current portion of long term loans from a banking company | 7 | 74,055,112 | 117,990,269 |
| Current maturity of lease liability | | 12,393,173 | 24,925,670 |
| Current maturity of deferred government grant | | 1,012,654 | 3,291,953 |
| Unclaimed dividend | | 2,000,135 | 1,877,677 |
| Short term Islamic finance | 9 | 597,180,022 | 585,740,510 |
| Current portion of the provision for Gas Infrastructure Development Cess | | 11,869,993 | - |
| | | 1,442,616,951 | 1,091,011,228 |
| CONTINGENCIES AND COMMITMENTS | 10 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 2,425,316,212 | 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

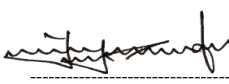
SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
For the nine months and quarter ended March 31, 2022 (unaudited)

| | NOTE | Three quarter ended | | Quarter ended | |
|---|------|------------------------|--------------------|----------------------|--------------------|
| | | March 31. 2022 | March 31. 2021 | March 31. 2022 | March 31. 2021 |
| | | ----- Rupees ----- | | ----- Rupees ----- | |
| Gross Turnover | | 3,230,340,067 | 2,103,085,370 | 1,130,244,938 | 855,326,502 |
| Less: Sales Tax | | (443,422,429) | (273,832,119) | (118,870,230) | (110,380,368) |
| | | 2,786,917,638 | 1,829,253,251 | 1,011,374,708 | 744,946,134 |
| Cost of sales | 11 | (2,452,673,230) | (1,611,226,779) | (929,328,418) | (668,346,423) |
| Gross profit | | 334,244,408 | 218,026,472 | 82,046,290 | 76,599,711 |
| Selling and distribution expenses | | (19,234,091) | (17,561,246) | (3,570,207) | (6,340,327) |
| Administrative expenses | | (83,459,824) | (72,788,288) | (29,829,476) | (27,136,989) |
| Other operating expenses | | (10,922,696) | (7,409,659) | (970,694) | (2,663,126) |
| Operating profit | | 220,627,797 | 120,267,278 | 47,675,913 | 40,459,269 |
| Finance cost | | (81,971,370) | (51,718,594) | (31,287,028) | (20,212,402) |
| Other Income | | 18,204,243 | 13,742,098 | 11,826,035 | 6,234,780 |
| Profit/(Loss) for the period before taxation | | 156,860,670 | 82,290,783 | 28,214,920 | 26,481,647 |
| Taxation | | (39,716,101) | (17,442,524) | (3,198,179) | 2,727,333 |
| Profit after taxation | | 117,144,569 | 64,848,259 | 25,016,740 | 29,208,980 |
| Earning per share | 12 | 8.88 | (Restated) 6.93 | 1.70 | (Restated) 3.18 |

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 nine months and quarter ended March 31, 2022 (unaudited)

| | Three quarter ended | | Quarter ended | |
|---|---------------------|-------------------|--------------------|-------------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| | ----- Rupees ----- | | ----- Rupees ----- | |
| Net profit for the period | 117,144,569 | 64,848,259 | 25,016,740 | 29,208,980 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 117,144,569 | 64,848,259 | 25,016,740 | 29,208,980 |
| Attributable to | | | | |
| Owners Equity | 107,488,504 | 68,338,261 | 20,576,540 | 31,380,603 |
| Non-controlling interest | 9,656,065 | (3,490,002) | 4,440,201 | (2,171,623) |
| | 117,144,569 | 64,848,259 | 25,016,740 | 29,208,980 |

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 nine months March 31, 2022 (unaudited)

| | Issued, subscribed and paid-up capital | REVENUE RESERVES | | | Sub Total | Total equity attributable to the shareholders of Holding Company | Non-controlling interest |
|---|---|--------------------|-------------------|-------------------------------|--------------------|--|-----------------------------|
| | | General reserve | Share Premium | Un- appropriated profit | | | |
| Balance as at July 01, 2020 | 85,937,500 | 132,500,000 | | 163,594,422 | 296,094,422 | 382,031,922 | 39,362,086 |
| Total comprehensive income for the period | - | - | | 64,848,259 | 64,848,259 | 64,848,259 | - |
| 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) |
| Advance against equity | 65,850,050 | | | 65,850,050 | 65,850,050 | | |
| Balance as at March 31, 2021 | 151,787,550 | 132,500,000 | - | 285,698,981 | 418,198,981 | 438,286,431 | 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 nine months ended March 31, 2022 | - | - | - | 117,144,569 | 117,144,569 | 117,144,569 | - |
| Final dividend paid 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) | - | |
| Dividend paid for the Half Year ended December 30, 2021 | | | | (18,150,000) | (18,150,000) | (18,150,000) | |
| Non-controlling interest arising on a business combination | - | - | - | - | - | - | 9,656,065 |
| Balance as at March 31, 2022 | 121,000,000 | 132,500,000 | 96,250,000 | 256,947,019 | 485,697,019 | 606,697,019 | 55,028,632 |

The annexed notes from 1 to 14 form an integral part of these financial statements.



Director



Chief Executive

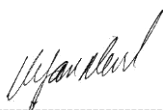


Chief Financial Officer


SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT
For the nine months March 31, 2021 (unaudited)

| | NOTE | March 31. 2022 | March 31. 2021 |
|--|------|-------------------|-------------------|
| ----- Rupees ----- | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit/(loss) before taxation | | 156,860,670 | 82,290,783 |
| Add/(Less): Adjustments for: | | | |
| Depreciation | | 107,840,700 | 89,538,949 |
| Loss/(Gain) on disposal of fixed assets | | (10,142,850) | (7,750,003) |
| Profit on PLS account | | 774,200 | (737,212) |
| Provision for WPPF | | 7,874,490 | 4,949,521 |
| Provision for gratuity | | 7,424,647 | 7,049,531 |
| Workers' welfare fund | | 2,992,306 | 2,188,405 |
| Provision for doubtful receivables | | - | - |
| Provision for gas rate difference | | 16,079,623 | - |
| Finance cost | | 81,974,653 | 51,718,594 |
| | | ----- | ----- |
| Cash provided by operating activities before working capital changes | | 371,678,439 | 229,248,566 |
| | | | |
| (Increase)/decrease in current assets | | (420,779,751) | (326,873,586) |
| Increase/(decrease) in current liabilities | | 349,760,687 | 84,502,664 |
| | | ----- | ----- |
| | | 300,659,375 | (13,122,356) |
| | | | |
| Finance cost | | (64,688,473) | (67,233,390) |
| Staff Compensation benefit paid | | (4,912,397) | (2,273,136) |
| Payment of Workers' profit participation fund | | (7,367,706) | (1,490,416) |
| Compensated absences paid | | (689,509) | - |
| Payments of WWF | | (2,799,348) | - |
| Income tax refunds received during the period | | - | 17,281,453 |
| Taxes paid | | (37,894,240) | (28,792,470) |
| | | ----- | ----- |
| Net cash inflow from operating activities | | 182,307,702 | (95,630,315) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure incurred | | (249,857,346) | (43,897,581) |
| Profits received on bank accounts | | (1,444,499) | (622,893) |
| Short term investment | | 21,266,077 | - |
| Acquisition of non-controlling interest | | - | 600,000 |
| Proceeds from short term investments / interest received | | 673,612 | - |
| long term advances paid | | (14,411,000) | - |
| Proceeds from sale of fixed assets | | 10,205,200 | 11,741,370 |
| Net cash used in investing activities | | (233,567,956) | (32,179,104) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts / (Re-payment) of Short term Islamic finance | | 11,439,511 | 52,243,759 |
| Receipts / (Re-payment) of Diminishing Mushareqa | | (21,485,094) | 47,694,730 |
| Repayment of loan against SBP Refinance facility for payment of wages and salaries | | (36,573,769) | - |
| Payments of long-term liability | | - | (12,549,666) |
| Repayment of lease liability (principal repayment) | | (4,050,369) | (17,914,382) |
| Dividends paid | | (34,527,541) | (8,580,074) |
| Advance received against equity | | - | 65,850,050 |
| Loan received against Islamic Temporary Economic Refinance Facility | | 82,325,123 | - |
| Borrowing From directors | | 7,270,516 | - |
| Loan re-payment to related parties | | (611,135) | (20,600,000) |
| Net cash inflow from/(used in) financing activities | | 3,787,241 | 106,144,417 |
| | | ----- | ----- |
| Net (decrease)/increase in cash and cash equivalents | | (47,473,013) | (21,665,002) |
| Cash and cash equivalents at beginning of the period | | 130,132,866 | 61,711,634 |
| | | ----- | ----- |
| Cash and cash equivalents at end of the period | | 82,659,853 | 40,046,632 |
| | | ===== | ===== |

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



Chief Executive



Director



Chief Financial Officer

SANA INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine months ended March 31, 2022 (unaudited)

1. THE GROUP AND ITS OPERATIONS

The group consist of Sana Industries Ltd. ("The Holding Company") and its subsidiary companies Sana Logistics Pvt Ltd and Sana Distributors PvtLtd. Brief profile of Holding company and Subsidiary 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

| <i>Name of subsidiary company</i> | <i>Effective % shareholding</i> |
|---------------------------------------|-------------------------------------|
| - Sana Logistics (Private) Limited | <u>70.00%</u> |
| - Sana Distributors (Private) Limited | <u>99.99%</u> |

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 three quarter 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 three quarter consolidated financial information as at March 31, 2022 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 quarter year ended March 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.

| | March 31, 2022 (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 | 63,179,620 | 44,942,384 |
| Less: Disposals during the period (NBV) | 55,900 | 6,384,157 |
| Depreciation charged during the period | 65,881,567 | 97,185,565 |
| | 65,937,467 | 103,569,722 |
| Net book value (NBV) at the closing of the period | 501,961,807 | 504,719,654 |
| Capital work-in-progress | 198,510,404 | 3,274,674 |
| | 700,472,211 | 507,994,328 |
| | ===== | ===== |
| | March 31, 2022 (Un-audited) | June 30, 2021 (Audited) |
| | ----- (Rupees) ----- | |
| 5. STOCK-IN-TRADE | | |
| Raw and packing material | | |
| - in hand | 163,309,796 | 146,124,338 |
| - in transit | 110,843,675 | 8,686,960 |
| | 274,153,472 | 154,811,298 |
| Work-in-process | 21,183,224 | 13,904,366 |
| Finished goods | 143,394,142 | 116,735,022 |
| Waste stock | 404,350 | 1,103,350 |
| | 439,135,188 | 286,554,036 |
| | ===== | ===== |
| 6. INVESTMENTS | | |
| Non-Controlling Interest | | |
| Share of NCI (opening) | 45,372,567 | 39,362,086 |
| Share in Profit / (Loss) | 9,656,065 | 6,010,481 |
| | 55,028,632 | 45,372,567 |
| | ===== | ===== |
| 7. LONG TERM FINANCING | | |
| Diminishing musharaka | 60,554,007 | 84,131,397 |
| Islamic Auto Finance | - | 2,535,425 |
| Financing under SBP Refinance Scheme for Payment of Salaries and Wages | 39,992,352 | 77,947,481 |
| Financing under Islamic Temporary Economic Refinance Facility (ITERF) | 133,821,560 | - |
| | 234,367,919 | 164,614,303 |
| Less: Current portion | (74,055,112) | (112,871,381) |
| | 160,312,807 | 51,742,922 |
| | ===== | ===== |
| 8. DEFERRED LIABILITIES | | |
| Deferred government grant | 227,419 | 829,839 |
| Provision for compensated absences | 142,306 | 831,815 |
| Gas infrastructure development cess | 60,983,288 | 69,446,121 |
| Staff retirement benefits | 37,195,766 | 34,683,517 |
| | 98,548,780 | 105,791,292 |
| | ===== | ===== |
| 9. SHORT-TERM ISLAMIC FINANCE - secured | | |
| From commercial banks | 537,223,226 | 585,740,510 |
| | ===== | ===== |
| 10. CONTINGENCIES AND COMMITMENTS | | |
| 10.1 Contingencies | | |
| There 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 | 587,836 | 5,018,520 |
| | ===== | ===== |
| Letter of guarantee issued by a commercial bank | 384,669,763 | 29,376,705 |
| | ===== | ===== |
| Irrevocable letter of credits | 227,046,402 | 358,429,992 |
| | ===== | ===== |

| | Three quarter ended | | Quarter ended | |
|---|----------------------|-------------------|--------------------|-------------------|
| | March 31. 2022 | March 31. 2021 | March 31. 2022 | March 31. 2021 |
| | ----- Rupees ----- | | | |
| 11. COST OF SALES | | | | |
| Opening stock finished goods and waste | 71,734,559 | 94,020,268 | 134,182,391 | 83,994,404 |
| Cost of goods manufactured | 2,486,967,967 | 1,589,163,992 | 901,175,323 | 656,309,499 |
| Closing stock finished goods and waste | (106,029,296) | (71,957,480) | (106,029,296) | (71,957,480) |
| | 2,452,673,230 | 1,611,226,779 | 929,328,418 | 668,346,423 |
| | ===== | ===== | ===== | ===== |
| 12. EARNING PER SHARE - BASIC AND DILUTED | | (Restated) | | (Restated) |
| Profit after taxation attributable to shareholders of the holding company | 107,488,504 | 68,338,261 | 20,576,540 | 31,380,603 |
| Issued ordinary shares | 12,100,000 | 9,858,063 | 12,100,000 | 9,858,063 |
| Basic and diluted earnings per share | 8.88 | 6.93 | 1.70 | 3.18 |
| | ===== | ===== | ===== | ===== |

13. 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 | | 61,455,000 | 16,520,000 |
| Repayment of broowings from Directors and family member | | 22,081,135 | 5,111,135 |
| Rent paid to director's family members | | 4,855,500 | 1,977,572 |
| | | ===== | ===== |

14. GENERAL

14.1 These financial statements were authorised for issue by the Board of Directors on 27th April, 2022.

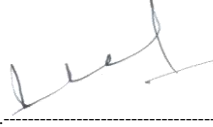
14.2 Certain corresponding figures have been re-arranged wherever necessary for the purpose of comparison.



Chief Executive



Director



Chief Financial Officer