CONDENSED INTERIM FINANCIAL ACCOUNTS
(UN-AUDITED)

For the Period Ended December 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

Sana Industries Limited

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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. Zainab Hanif Dhedhi	- Director
Mr. Muhammad Ashfaq	- Director

H.R. & Remuneration Committee

Ms. Zainab Hanif Dhedhi	- Chairperson
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. Mohammed Younus Nawab	- Member
Mr.Ismail Younus	- 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

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

Bankers

Habib Metropolitan Bank Limited.
Bank Al Habib Limited.
Dubai Islamic Bank Limited.
Habib 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 the operational and financial results of the company reviewed by the statutory auditors, for the 2nd quarter/ half year ended December 31, 2022.

Pakistan's economy is currently going through a precarious phase due to unfavorable economic and political challenges provided impetus by global recessionary trends.

Due to rising in energy costs, exchange rate parity and flood shocks, inflation clocked at 24.5% as compared to 12.3% in the same period last year. The State Bank of Pakistan to contain the rising inflation, has raised the interest rates to 16% at the half year end, which again rose to 17% in January 2023.

On the macroeconomic front, continuous external debt servicing and deadlock in negotiation with IMF over release of tranche, the forex reserves depleted sharply to USD 5.58 billion by the end of December 2022. This exerted negative pressure on rupee dollar parity and PKR depreciated by 11% during the period under consideration, coupled with significant swings towards north and south during the same period.

During the period under review:

- The consolidated profit/ (loss) after tax during the period under review clocked at Rs. (85.82) million;
- The unconsolidated profit/ (loss) after tax during the period under review clocked at Rs. (95.4) million.

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

- Comparison with previous quarter - Annex-A
- Comparison with corresponding quarter of last year - Annex-B
- Comparison with corresponding six months period - Annex-C
- Comparison of Balance Sheet of last two quarters - Annex-D
- 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

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

Future Prospects

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, previous production capacity of textile unit was 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.

The project was initially undertaken on the following equity/debt structure of 25:75. The project has finally closed during the month of February 2023 and all machinery has arrived. However, due to significant devaluation of rupee during the course of retirement of LC's, the project closed on an equity/ debt structure of 27:73.

	Rs. in millions		
	Projected	**Actual**	**Change**
Iterf / DM	300	390	30%
Own Sources	100	140	40%
Total	400	530	33%

Out of the 26% capacity enhancement 14% has been installed and is in production while the remaining 12% is expected to commence by April 2023.

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 27th, 2023

ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والی دوسری سہ ماہی/ششماہی کے لئے قانونی آڈیٹرز کے جائزہ شدہ کمپنی کے آپریشنل اور مالیاتی نتائج کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

پاکستان کی معیشت اس وقت غیر یقینی صورتحال سے گزر رہی ہے جس کی وجہ ناسازگار معاشی اور سیاسی چیلنجز ہیں جو عالمی کساد بازاری کے رجحانات کے باعث تقویت فراہم کرتے ہیں۔

توانائی کے اخراجات میں اضافے، شرح مساوات مبادلہ اور سیلاب کی تباہ کاریوں کی وجہ سے افراط زر کی شرح 24.5 فیصد رہی جو گزشتہ سال کے اسی عرصے میں 12.3 فیصد تھی۔ اسٹیٹ بینک آف پاکستان نے بڑھتی ہوئی مہنگائی پر قابو پانے کے لیے ششماہی کے اختتام پر شرح سود میں 16 فیصد تک اضافہ کیا ہے جو جنوری 2023 میں دوبارہ بڑھ کر 17 فیصد ہوگیا ہے۔

میکرو اکنامک محاذ پر بیرونی قرضوں کی مسلسل ادائیگی اور قسط کے اجراء پر آئی ایم ایف کے ساتھ مذاکرات میں تعطل کے باعث دسمبر 2022 کے اختتام تک زرمبادلہ کے ذخائر تیزی سے کم ہوکر 5.58 ارب ڈالر رہ گئے۔ اس سے روپے اور ڈالر مساوات مبادلہ پر منفی دباؤ پڑا اور زیر جائزہ مدت کے دوران روپے کی قدر میں 11 فیصد کی کمی واقع ہوئی اور اسی عرصے کے دوران اتار چڑھاؤ کی جانب نمایاں گردشیں رونما ہوئیں۔

زیر جائزہ مدت کے دوران:

- اس عرصے کے دوران بعد از ٹیکس مدغم شدہ منافع/نقصان (85.82) ملین روپے رہا۔
- اس عرصے کے دوران غیر مدغم شدہ بعد از ٹیکس منافع/نقصان (95.4) ملین روپے رہا۔

ہمارے شیئر ہولڈرز کی سہولت کے لئے، آپریٹنگ اور مالیاتی اعداد و شمار کے مندرجہ ذیل موازنہ کو اس رپورٹ کے ساتھ منسلک کیا گیا ہے:

- پچھلی سہ ماہی کے ساتھ موازنہ - Annexure-A
- گزشتہ سال کی اسی سہ ماہی سے موازنہ - Annexure-B
- متعلقہ چھ ماہ کی مدت کے ساتھ موازنہ - Annexure-C
- پچھلی دو سہ ماہیوں کی بیلنس شیٹ کا موازنہ - Annexure-D
- پچھلی دو سہ ماہیوں کے پرافٹ اینڈ لاس اکاونٹ کا موازنہ - Annexure-E

SECP کی شرائط کی تعمیل کرتے ہوئے اس مدت کے لیے غیر مدغم شدہ اور مدغم شدہ مالیاتی گوشوارے بھی منسلک کیے گئے ہیں۔

ڈیویڈنڈ / بونس اجراء / رائٹ اجراء

اس مدت کے دوران کسی ڈیویڈنڈ کا اعلان نہیں کیا گیا ہے۔
اس مدت کے دوران کسی بونس کے اجراء کا اعلان نہیں کیا گیا ہے۔
اس مدت کے دوران کسی رائٹ اجراء کا اعلان نہیں کیا گیا ہے۔

مستقبل کے امکانات:

جیسا کہ 31 دسمبر 2020 کی ششماہی مالی سال کے اختتام پر اعلان کیا گیا تھا، کمپنی نے ٹیکسٹائل یونٹ کی توسیع اور ثنا ڈسٹری بیوٹرز (پرائیویٹ) لمیٹڈ کو مکمل ملکیت کے ماتحت ادارے کے طور پر قائم کرنے کے لئے رائٹ ایشو سے 120.312 ملین روپے کے فنڈز جمع کیے، ٹیکسٹائل یونٹ کی سابقہ پیداواری صلاحیت 31,488 اسپنڈلز پر مبنی تھی۔

کمپنی نے 400 ملین روپے کے توسیعی منصوبے کا آغاز کیا ہے جس سے ہماری پیداواری صلاحیت 25.7 فیصد بڑھ کر 39,588 اسپنڈلز ہو جائے گی۔

یہ منصوبہ ابتدائی طور پر 25:75 کے مندرجہ ذیل ایکویٹی / قرض کے ڈھانچے پر شروع کیا گیا تھا۔ یہ منصوبہ بالآخر فروری 2023 کے مہینے میں بند ہو گیا ہے اور تمام مشینری پہنچ چکی ہے۔ تاہم L/Cs کی سبکدوشی کے دوران روپے کی قدر میں نمایاں کمی کی وجہ سے یہ منصوبہ 27:73 کی ایکویٹی / قرض کے ڈھانچے پر بند ہوا۔

	روپے ملین میں		
	تخمینہ	حقیقی	تبدیلی
Iterf / DM	300	390	30%
ذاتی ذرائع سے	100	140	40%
ٹوٹل	400	530	33%

26 فیصد صلاحیت میں اضافے میں سے 14 فیصد نصب کیا جا چکا ہے اور پیداوار میں ہے جبکہ بقیہ 12 فیصد اپریل 2023 تک شروع ہونے کی توقع ہے۔

اعتراف:

ہم تمام اسٹیک ہولڈرز (اندرونی/بیرونی)، بینکوں، مالیاتی اداروں، متعلقہ وزارتوں اور ریگولیٹرز کا دل کی گہرائی سے شکریہ ادا کرنا چاہتے ہیں جنہوں نے کمپنی کی ترقی میں ہماری مسلسل حمایت کی۔ ہم عملے اور کارکنان کی محنت، لگن اور خلوص کا اعتراف کرتے ہیں جن کے بغیر مسلسل کامیابی کا حصول ممکن نہیں تھا۔ ہم آنے والے سالوں میں اسی لگن اور تعاون کے منتظر ہیں۔

محمد عرفان نواب
چیف ایگزیکٹیو آفیسر

محمد فیضان اللہ
ڈائریکٹر

کراچی: 27 فروری 2023ء

Sana Industries Limited

Annexure to Directors' Report
(Rupees in millions)

Consolidated comparison with previous quarter **Annexure A**

Covering period FROM / TO	01-Oct-2022 / 31-Dec-2022	01-July-2022 / 30-Sep-2022	VARIATION Amount	VARIATION Percentage
Turnover - net	977.19	971.69	5.50	0.57%
Cost of Sales	1,023.87	931.16	92.71	9.96%
Gross (loss) / Profit	(46.68)	40.53	(87.21)	-215.18%
G.P.Rate to Sales	-4.78%	4.17%		-8.95%
Administrative, Selling, Financial & Other expenses	87.93	86.46	1.47	1.70%
Other income	19.01	23.28	(4.27)	-18.35%
Operating (loss) / Profit before tax	(115.60)	(22.65)	(92.95)	410.38%
Operating (loss) / Profit to sales ratio	-11.83%	-2.33%		
Earning per share (before tax)	(9.55)	(1.87)	(7.68)	410.70%

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

Covering period FROM / TO	01-Oct-2022 / 31-Dec-2022	01-Oct-2021 / 31-Dec-2021	VARIATION Amount	VARIATION Percentage
Turnover - net	977.19	929.05	48.14	5.18%
Cost of Sales	1,023.87	774.73	249.14	32.16%
Gross (loss) / Profit	(46.68)	154.33	(201.01)	-130.25%
G.P.Rate to Sales	-4.78%	16.61%		
Administrative, Selling, Financial & Other expenses	87.93	69.13	18.80	27.19%
Other income	19.01	5.09	13.91	273.16%
Operating (loss) / Profit before tax	(115.60)	90.29	(205.89)	-228.04%
Operating (loss) / Profit to sales ratio	-11.83%	9.72%		
Earning per share (before tax)	(9.55)	7.46	(17.01)	-228.02%

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

Covering period FROM / TO	01-Jul-2021 / 31-Dec-2022	01-Jul-2021 / 31-Dec-2021	VARIATION Amount	VARIATION Percentage
Turnover - net	1,948.87	1,775.54	173.33	9.76%
Cost of Sales	1,955.03	1,523.34	431.68	28.34%
Gross (loss) / Profit	(6.16)	252.20	(258.35)	-102.44%
G.P.Rate to Sales	-0.32%	14.20%		
Administrative, Selling, Financial & Other expenses	174.39	129.93	44.46	34.22%
Other income	42.29	6.38	35.91	-563.03%
Operating (loss) / Profit before tax	(138.26)	128.65	(266.91)	207.47%
Operating (loss) / Profit to sales ratio	-7.09%	7.25%		
Provision for Taxation	(52.43)	36.52	(88.95)	-243.57%
(Loss) / Profit after Taxation	(85.83)	92.13	(177.96)	-193.16%
- Shareholders of the Holding Company	(95.82)	86.91		
- Non - controlling interest	9.99	5.22		
	(85.83)	92.13		
Earning per share (before tax)	(11.43)	10.63	(22.06)	-207.53%
Earning per share (after tax)	(7.92)	7.18	(15.10)	-210.31%

COMPARISON OF BALANCE SHEET OF TWO QUARTERS (CONSOLIDATED)

	1ST QUARTER 30-Sep-2022 Rupees	2ND QUARTER 31-Dec-2022 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, Plant and equipments	823,832,293	910,629,276
Right to use asssers	29,963,626	33,278,459
Intangibles	803,307	1,658,747
Long-term deposits	2,756,051	2,756,051
Long-term advances	1,951,000	-
Deferred tax asset - net	38,629,856	125,352,327
	897,936,133	1,073,674,860
CURRENT ASSETS		
Stock-in-trade / Stores and spares	493,842,957	379,231,626
Short term investment	17,589,318	17,649,435
Trade debts- unsecured, considered good	737,956,297	772,971,730
Advances	13,772,758	52,679,061
Trade Deposits and pre-payments and other receivables	34,867,635	6,048,773
Other receivables	2,426,431	25,654,842
Taxation - net	165,766,194	139,760,561
Cash and bank balances	96,854,933	59,867,182
	1,563,076,522	1,453,863,210
TOTAL ASSETS	2,461,012,655	2,527,538,070
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share Capital	121,000,000	121,000,000
Reserves	444,664,476	375,768,289
Attributiable to equity holders of the parent	565,664,476	496,768,289
Non-controlling interest	59,648,007	63,558,737
	625,312,483	560,327,026
NON CURRENT LIABILITIES		
Long term financing	198,020,745	230,524,919
Lease Liability	33,051,624	23,402,359
Deffered Liabilities	70,470,507	157,938,127
	301,542,876	411,865,405
CURRENT LIABILITIES		
Trade and other payables	558,898,584	472,325,527
Accrued profit on Murabaha/Mushareka arrangements	29,377,969	33,981,225
Loans from directors and associates	62,755,000	78,665,000
Current portion of long term financing	56,129,552	50,106,416
Current maturity of lease liability	15,270,970	27,672,326
Current maturity of deferred government grant	6,530,837	14,186,337
Unclaimed dividend	1,992,282	2,024,863
Short term arrangements	814,480,200	865,729,706
Provident Fund payable	1,842,769	10,654,239
Taxation - net	2,098,831	-
	1,549,376,994	1,555,345,639
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	2,476,232,353	2,527,538,070
Debt Equity Ratio	32.53%	42.36%
Current Ratio	1.01	0.93

Sapa Industries Limited

"Annexure E"

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

	1ST QUARTER 30-Sep-2022 Rupees	2ND QUARTER 31-Dec-2022 Rupees	Y.T.D. 31-Dec-2022 Rupees
Turnover-net	971,685,097	977,187,450	1,948,872,547
Cost of sales	(931,159,399)	(1,023,868,428)	(1,955,027,827)
Gross profit / (loss)	40,525,698	(46,680,978)	(6,155,280)
G.P.Rate	4.17%	-4.78%	-0.32%
General and administration expenses	(34,850,034)	(24,921,423)	(59,771,456)
Selling and distribution expenses	(7,569,743)	(7,762,077)	(15,331,820)
Other operating expenses	-	(1,135,609)	(1,135,609)
Other income	23,280,790	19,008,374	42,289,164
Operating profit / (loss)	21,386,711	(61,491,713)	(40,105,002)
Finance cost	(44,041,679)	(54,109,216)	(98,150,896)
(Loss) for the period before taxation	(22,654,968)	(115,600,929)	(138,255,897)
Provision for taxation	(10,286,370)	62,715,472	52,429,102
(Loss) after taxation	(32,941,338)	(52,885,457)	(85,826,795)
Earning per share before taxation	(1.87)	(9.55)	(11.43)
Earning per share after taxation			(7.92)

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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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, 2022** 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, 2022. 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, 2022.

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: February 28, 2023
UDIN: RR202210213f2FrcLyE3

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A global network of independent accountancy firms,
business consultants and specialist legal advisers.

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Financial Position

As at December 31, 2022

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	3	**738,069,884**	569,444,924
Right of-use-asset	4	**33,278,458**	19,975,750
Investment property	5	**38,551,735**	43,799,684
Investment in subsidiary		**94,999,990**	94,999,990
Long term deposits and prepayments		**2,756,051**	2,756,051
Deferred tax asset -net		**91,542,042**	12,763,624
		999,198,160	743,740,023
Current assets			
Stock-in-trade	6	**334,093,686**	396,127,934
Stores and spares		**21,901,881**	9,479,354
Trade debts		**511,131,081**	446,660,346
Loans and advances	7	**23,450,507**	16,136,375
Trade deposits and short term prepayments		**4,439,297**	1,755,507
Other receivables	8	**107,084,676**	77,253,189
Short term investments		**2,724,435**	2,664,319
Tax refunds due from government		**91,009,498**	80,246,305
Cash and bank balances	9	**22,036,443**	28,224,761
		1,117,871,504	1,058,548,090
Total assets		**2,117,069,664**	1,802,288,113
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
20,000,000 (June 30, 2022: 20,000,000) ordinary shares of Rs 10/- each		**200,000,000**	200,000,000
Issued, subscribed and paid-up capital	10	**121,000,000**	121,000,000
Capital reserves			
Share premium		**96,250,000**	96,250,000
Revenue reserves			
General reserves		**132,500,000**	132,500,000
Unappropriated profits		**140,946,365**	248,486,285
		273,446,365	380,986,285
		490,696,365	598,236,285
Non-current liabilities			
Lease liability	11	**24,507,733**	22,908,555
Long term financing -secured	12	**223,081,807**	108,248,443
Deferred liabilities	13	**157,280,779**	117,724,115
		404,870,319	248,881,113
Current liabilities			
Short term borrowings -secured	14	**791,722,215**	585,452,549
Trade and other payables		**310,126,039**	277,447,727
Loan from directors and sponsors		**5,000,000**	3,500,000
Accrued markup		**33,931,225**	16,917,764
Current portion of lease liability		**19,053,782**	6,279,360
Current portion of long term loans from a banking company		**45,458,519**	57,515,573
Current portion of deferred government grant		**14,186,337**	6,061,316
Unclaimed dividend		**2,024,863**	1,996,426
		1,221,502,980	955,170,715
Contingencies and commitments	15		
Total equity and liabilities		**2,117,069,664**	1,802,288,113

The annexed notes from 1 to 23 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, 2022 (unaudited)

	Note	Half year ended		Quarter ended	
		December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
		Rupees			
Gross revenue	16	**1,496,175,956**	1,472,105,944	**725,663,878**	730,196,814
Less; Sales tax		**(219,261,383)**	(220,409,816)	**(107,032,564)**	(108,791,703)
Commissions and discounts		**(145,898)**	(157,015)	**-**	(157,015)
Revenue - net		**1,276,768,675**	1,251,539,113	**618,631,314**	621,248,096
Cost of sales		**(1,301,660,317)**	(1,045,333,088)	**(653,367,537)**	(502,131,739)
Gross (loss) / profit		**(24,891,642)**	206,206,025	**(34,736,223)**	119,116,357
Administrative expenses		**(48,545,698)**	(34,587,187)	**(27,353,711)**	(17,918,539)
Distribution expenses		**(11,127,950)**	(9,354,223)	**(6,621,181)**	(4,643,782)
Other operating expenses		**(1,135,609)**	(9,952,002)	**(1,135,609)**	(5,924,136)
		(60,809,257)	(53,893,412)	**(35,110,501)**	(28,486,457)
Operating (loss) / profit		**(85,700,899)**	152,312,613	**(69,846,724)**	90,629,900
Finance costs	17	**(91,683,469)**	(40,062,429)	**(51,898,884)**	(21,823,342)
Other income	18	**22,327,238**	14,547,623	**19,796,726**	7,462,543
		(69,356,231)	(25,514,806)	**(32,102,158)**	(14,360,799)
(Loss) / profit before taxation		**(155,057,130)**	126,797,807	**(101,948,882)**	76,269,101
Taxation - net	19	**59,617,210**	(32,346,885)	**65,529,064**	(24,307,577)
(Loss) / profit after taxation		**(95,439,920)**	94,450,922	**(36,419,818)**	51,961,524
(Loss) / earning per share - basic and diluted	20	**(7.89)**	7.81	**(3.01)**	4.29

The annexed notes from 1 to 23 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, 2022 (unaudited)

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
	Rupees			
Profit after taxation	**(95,439,920)**	94,450,922	**(36,419,818)**	51,961,524
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the p	**(95,439,920)**	94,450,922	**(36,419,818)**	51,961,524

The annexed notes from 1 to 23 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, 2022 (unaudited)

	Note	Half year ended December 31, 2022	Half year ended December 31, 2021
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(155,057,130)	126,797,807
Adjustments for:			
- Depreciation on property, plant and equipment	3	47,204,341	33,265,901
- Depreciation on right-of-use assets	4	3,697,606	1,997,575
- Depreciation on investment property	5	5,247,949	5,226,049
- Provision for staff retirement benefits		7,646,581	4,949,764
- Provision for gas rate difference		7,116,811	7,002,061
- Provision for Workers' Profit Participation Fund		-	6,809,764
- Provision for Workers' Welfare Fund		-	2,587,710
- Unrealized gain on re-measurement of short term investments	18	(5,276)	(39,711)
- Gain on disposal of short term investment	18	-	(235,692)
- Loss / (gain) on sale of operating fixed assets		-	55,900
- Amortization of deferred government grant	18	(3,659,304)	(1,852,869)
- Dividend income	18	(64,518)	(372,484)
- Profit on bank deposits	18	(842,026)	(1,211,728)
- Increase in provision for expected credit losses		757,954	498,628
- Finance costs	17	91,683,469	40,062,429
		158,783,587	98,743,297
Cash (used in) / generated from operating activities before working capital changes		3,726,457	225,541,104
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
- Stock-in-trade		62,034,248	(119,326,266)
- Stores and spares		(12,422,527)	(4,692,655)
- Trade debts		(65,228,689)	(9,089,011)
- Loan and advances		(7,314,132)	(3,847,527)
- Trade deposits and short term prepayments		(2,683,790)	(3,471,706)
- Other receivables		(29,831,487)	(16,280,033)
- Sales tax refundable		(13,437,180)	(1,185,901)
Increase/(decrease) in current liabilities			
- Trade and other payables		23,754,101	7,696,237
		(45,129,456)	(150,196,862)
Cash (used in) / generated from operations		(41,402,999)	75,344,242
- Income tax paid		(16,477,542)	(18,643,490)
- Contribution to staff retirement benefits fund		(3,661,090)	(2,212,397)
- Compensated absences paid		(11,737)	(670,671)
- Payment of Workers' Welfare Fund		-	(2,799,348)
- Payment of Workers' Profit Participation Fund		-	(7,367,706)
- Finance cost paid		(58,167,112)	(33,945,930)
Net cash (used in) / generated from operating activities		(119,720,480)	9,704,700
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(215,829,301)	(82,035,919)
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		842,026	1,211,728
Net cash used in investing activities		(214,987,275)	(84,215,914)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received against musharaka facility		59,323,911	10,386,400
Repayment of long term musharaka		(16,418,754)	(14,452,557)
Repayment of loan against SBP Refinance facility for payment of wages and salaries		(15,499,424)	(15,326,996)
Loan received against Islamic Temporary Economic Refinance Facility		114,140,000	43,255,760
Repayment of loan against Islamic temporary economic refinance		(2,933,071)	-
Repayment of lease liability		(5,791,328)	(660,861)
Short term borrowings - net		206,269,666	20,945,002
Loan received from directors and sponsors		2,625,000	14,667,670
Loan repaid to directors and sponsors		(1,125,000)	(17,327,670)
Dividend paid		(12,071,563)	(16,443,827)
Net cash generated from financing activities		328,519,437	25,042,921
Net decrease in cash and cash equivalents		(6,188,318)	(49,468,293)
Cash and cash equivalents at the beginning of the period		28,224,761	98,496,842
Cash and cash equivalents at the end of the period		22,036,443	49,028,549

The annexed notes from 1 to 23 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, 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, 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
Balance as at July 01, 2022	121,000,000	96,250,000	132,500,000	248,486,285	598,236,285
Transaction with owners					
- Final dividend paid for the Year ended June 30, 2022 @ Rs. 1.00/- per share	-	-	-	(12,100,000)	(12,100,000)
Total comprehensive income for the half year ended December 31, 2022	-	-	-	(95,439,920)	(95,439,920)
Balance as at December 31, 2022	121,000,000	96,250,000	132,500,000	140,946,365	490,696,365

The annexed notes from 1 to 23 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, 2022 (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 (IAS) 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 IAS 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, 2022.

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, 2022.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
3. PROPERTY, PLANT AND EQUIPMENT		---------- Rupees ----------	
Operating fixed assets	3.1	**631,299,866**	550,070,507
Capital work in progress		**106,770,018**	19,374,417
		738,069,884	569,444,924

3.1 Operating fixed assets

Net book value at the beginning of the period / year		**550,070,507**	321,243,043
Add: Additions during the period / year	3.1.1	**112,982,111**	249,951,419
Add: Transferred from CWIP during the period / year		**15,451,589**	45,000,000
Less: Disposals during the period /year- at net book value		**-**	(55,900)
Depreciation charged during the period / year		**(47,204,341)**	(66,068,055)
		(47,204,341)	(66,123,955)
Net book value at the end of the period / year		**631,299,866**	550,070,507

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

	Half year ended December 31, 2022		Year ended June 30, 2022	
	Additions (At Cost)	**Disposals (At NBV)**	Additions (At Cost)	Disposals (At NBV)
Building on leasehold land	**-**	**-**	47,277,856	-
Electrification - Factory Building	**1,335,350**	**-**	3,849,500	-
Plant and machinery	**126,502,055**	**-**	204,004,718	-
Furniture, fixtures and office equipment	**596,295**	**-**	5,025,794	-
Vehicles	**-**	**-**	34,082,608	-
Computers & software	**-**	**-**	710,943	55,900
	128,433,700	**-**	294,951,419	55,900

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
4. RIGHTS-OF-USE ASSET		---------- Rupees ----------	
Opening book value		**19,975,750**	23,970,900
Add: Asset Recognized during the period due to lease modificatio	11.1	**17,000,314**	-
		36,976,064	23,970,900
Less: Depreciation for the period / year		**(3,697,606)**	(3,995,150)
		33,278,458	19,975,750
Depreciation rate (per annum)		**20.00%**	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	1-Jul-19
Modified lease agreement date	1-Jul-22
Lease commencement date	1-Jul-19
Modified lease commencement date	1-Jul-22
Initial contracted term of the lease	11 Months
Availability of extension option	Yes
Assessed leased term	8 years
Remaining assessed leased term on the date of modification	5 years

5. INVESTMENT PROPERTY

	Leasehold Land	Building on leasehold land	Total
		Rupees	
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 year ended June 30, 2022			
Opening net book value	6,812,875	45,426,938	52,239,813
Additions	-	1,944,061	1,944,061
Depreciation for the year	-	(10,384,190)	(10,384,190)
Closing net book value	6,812,875	36,986,809	43,799,684
As at June 30, 2022			
Cost	6,812,875	140,601,867	147,414,742
Accumulated depreciation	-	(103,615,058)	(103,615,058)
	6,812,875	36,986,809	43,799,684
Movement during the period ended December 31, 2022			
Opening net book value	**6,812,875**	**36,986,809**	**43,799,684**
Depreciation for the period	-	**(5,247,949)**	**(5,247,949)**
	6,812,875	**31,738,860**	**38,551,735**
As at December 31, 2022			
Cost	**6,812,875**	**140,601,867**	**147,414,742**
Accumulated depreciation	-	**(108,863,007)**	**(108,863,007)**
	6,812,875	**31,738,860**	**38,551,735**
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).

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees	
6. STOCK-IN-TRADE			
Raw material			
- in hand		**112,581,653**	122,879,324
- in transit		**12,332,434**	66,481,191
		124,914,087	189,360,515
Packing materials		**5,659,982**	4,951,494
Work in process		**23,400,898**	27,994,064
Finished goods		**179,557,044**	173,477,436
Waste material		**561,675**	344,425
		334,093,686	396,127,934
7. LOANS AND ADVANCES			
Loans to employees	*7.1*	**6,351,259**	7,581,074
Advances:			
- to contractors		**415,000**	215,000
- to suppliers		**16,684,248**	8,340,301
		17,099,248	8,555,301
		23,450,507	16,136,375

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, 2022	(Audited) June 30, 2022
	Note	Rupees	
8. OTHER RECEIVABLES			
Receivable from Sana Logistics (Private) Limited		**81,414,265**	73,495,849
Receivable from Sana Distributors (Private) Limited		**420,384**	344,975
Receivable from LIEDA	*8.1*	**24,689,770**	-
Others		**560,257**	3,412,365
		107,084,676	77,253,189

8.1 The Company approached the Lasbella Industrial Estates Development Authority (LIEDA) several times to charge concessional rate on electricity distributed to the Company as the Company falls under the Zero rated sector. As per the notifications of Ministry of Energy (Power Division) dated March 21, 2020, September 30, 2020 and October 07, 2022 the concessional rate were 7.5 cents/KW from January 2019 to September 2020, 9 cents/KW from October 2020 to September 2022 and Rs. 19.9/KW from October 2022 onwards respectively.

The LIEDA rejected the Company's application claiming that LIEDA is not a distributor Company. The LIEDA itself purchases electricity from K-electric and sell it to the Companies located within the jurisdiction of LIEDA.

The Company filed a Constitutional petition vide C.P no- D-558 of 2020 on January 27, 2020 in the High Court of Sind for relief.

The Court orders interim relief in favour of the Company on January 27, 2020 and directed the LIEDA to issue bills by excluding the quarterly tariff adjustment and other disputed charges till final decision. However, the Company received bills without any such adjustments. Accordingly, on the advice of its legal counsel, the Company started paying the billed amount and files claim with LIEDA for the excess amount paid.

On September 15, 2022, Director Finance of LIEDA wrote letter to Director of K Electric confirming the previous claim lodged by the Company amounting to Rs. 17.026 million which will be received by the Company from LIEDA after the recovery by LIEDA of the said benefit from K Electric. Therefore, the company recognized the said amount as income during the year as it is virtually certain to receive this amount. Further, the management has not recognized expense against such overbillings by LIEDA during the period amounting to Rs, 7.664 million in pursuant of such letter.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
9. CASH AND BANK BALANCES			
Cash in hand		**4,925,724**	2,377,846
Cash at bank:			
- Balance held in current accounts		**12,401,915**	15,605,841
- Balance held in saving accounts		**4,708,804**	10,241,074
		17,110,719	25,846,915
		22,036,443	28,224,761

10. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

(Unaudited) December 31, 2022	(Audited) June 30, 2022		(Un-audited) December 31, 2022	(Audited) June 30, 2022
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	5,693,750	- as bonus shares	**56,937,500**	56,937,500
12,100,000	12,100,000		**121,000,000**	121,000,000

11. LEASE LIABILITY

Balance as at the beginning of the period /year		**29,187,915**	30,483,131
Effects of changes in liability due to modification in lease rentals	*11.1*	**17,000,314**	-
		46,188,229	30,483,131
Interest on unwinding of the lease liability		**3,164,614**	4,266,704
		49,352,843	34,749,835
Payments made during the period /year		**(5,791,328)**	(5,561,920)
		43,561,515	29,187,915
Less: Current maturity shown under current liabilities		**(19,053,782)**	(6,279,360)
		24,507,733	22,908,555

11.1 On July 01, 2022, the Company agreed with lessor through revised lease agreement for the increase in lease rentals. Consequently, an increase in lease liability and RoUA has been incorporated during the period.

		Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
			Rupees	
12.	**LONG TERM FINANCING- secured**			
	Diminishing Musharaka	*12.1*	**76,095,932**	26,683,727
	Refinance Scheme for Payment of Wages and Salaries	*12.2*	**-**	-
	Islamic Temporary Economic Refinance Facility (ITERF)	*12.3*	**146,985,875**	81,564,716
			223,081,807	108,248,443
12.1	**Diminishing Musharaka**			
	Balance at the beginning of the period /year		**56,483,551**	56,279,551
	Add: Loan obtained during the period /year		**59,323,911**	30,588,563
	Less: Repayments made during the period /year		**(16,418,754)**	(30,384,563)
	Balance at the end of the period /year		**99,388,708**	56,483,551
	As at the end of the period /year:			
	- Current maturity		**23,292,776**	29,799,824
	- Non-current maturity		**76,095,932**	26,683,727
			99,388,708	56,483,551
12.2	**Refinance Scheme for Payment of Wages and Salaries**			
	Balance at the beginning of the period /year		**15,282,134**	42,999,055
	Add: Interest accrued during the period /year	*17*	**217,290**	3,971,644
	Less: Installments paid during the period /year		**(15,499,424)**	(31,688,564)
			-	15,282,135
	Less: Current portion shown under current liabilities		**-**	(15,282,135)
			-	-
12.3	**Islamic Temporary Economic Refinance Facility (ITERF)**			
	Balance at the beginning of the period /year		**93,998,330**	-
	Loan obtained during the period	*12.3.1*	**114,140,000**	114,543,440
	Less: Element of government grant recognized as deferred income	*12.3.3*	**(43,275,238)**	(24,969,378)
			70,864,762	89,574,062
	Add: Interest accrued during the period	*17*	**7,221,597**	5,890,589
	Less: Installments paid during the period		**(2,933,071)**	(1,466,321)
		12.3.1	**169,151,618**	93,998,330
	Less: Current portion shown under current liabilities		**(22,165,743)**	(12,433,614)
			146,985,875	81,564,716

12.3.1 During the period, the Company obtained a long-term financing facility amounting to Rs. 85.428 (June 30, 2022: Rs. 43.256) million from M/s. Dubai Islamic Bank Pakistan Limited (DIBPL) and Rs. 28.712 (June 30, 2022: Rs. 71.288) million from Bank Alhabib Limited 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. 250,000,000/=
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	***Dubai Islamic Bank Limited:*** (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. ***Bank Alhabib Limited:*** (1) Registered exclusive hypothecation charge over specific plant and machinery amounting to Rs 187.50 million; (2) Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab. (3) amounting to Rs. 551.4 million over survey 54 , located at Kemari Town. (4) Town.

12.3.2 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).

12.3.3 ***Correction of error***

During the period, it has been identified that the loan trench amounting to Rs. 19.278 million has been wrongly classified in ITERF facility instead of diminishing musharka. The same has been reclassified during the period along with the correction in Government grant recorded during the previous year amounting to Rs. 4.589 million.

13. **DEFERRED LIABILITIES**	*Note*	**(Un-audited) December 31, 2022**	(Audited) June 30, 2022
		Rupees	
Deferred government grant	*13.1*	**47,504,430**	16,013,517
Provision for compensated absences		**111,501**	123,238
Staff retirement benefits- defined benefit plan (gratuity)		**56,101,549**	52,116,056
Provision for Gas Infrastructure Development Cess	*13.2*	**53,563,299**	49,471,304
		157,280,779	117,724,115

		Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
			Rupees	
13.1	**Deferred government grant**			
	Balance as at the beginning of the period /year		**22,074,833**	2,361,402
	Add: Element of government grant recognized during the period /year		**43,275,238**	24,969,378
	Less: Amortization of government grant during the period /year		**(3,659,304)**	(5,255,947)
			39,615,934	19,713,431
			61,690,767	22,074,833
	Less: Current portion shown under current liabilities		**(14,186,337)**	(6,061,316)
			47,504,430	16,013,517
13.2	**Provision for Gas Infrastructure Development Cess**			
	Opening balance		**49,471,304**	69,446,121
	Effect of change in accounting estimate due to change of date of 1st Installment		**-**	(27,246,733)
	Unwinding of GIDC liability	*17*	**4,091,995**	7,271,916
			53,563,299	49,471,304
14.	**SHORT TERM BORROWINGS -secured**			
	Istisna financing			
	Habib Metropolitan Bank Limited		**234,157,553**	275,756,088
	Habib Bank Limited		**143,452,237**	-
		14.1	**377,609,790**	275,756,088
	Murabaha Financing			
	Habib Metropolitan Bank Limited		**64,666,800**	-
	Bank Al Habib Limited		**122,985,817**	124,770,185
		14.2	**187,652,617**	124,770,185
	Wakala financing			
	Dubai Islamic Bank Limited	*14.3*	**226,459,808**	184,926,277
			791,722,215	585,452,550

14.1 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. 500 million (June 30, 2022: Rs. 300 million) as a sub limit of Murabaha Financing. The mark-up rate on the financing ranging from 6 months KIBOR + 1.5% to 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:

Habib Metropolitan Bank Limited:

- 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.

Habib Bank Limited:

- 1st pari pasu charge over factory land, building, plant & machinery of amounting PKR 267 Mn including 25% margin;
- 1st pari passu charge over stocks & receivable of amounting PKR 267 Mn including 25% margin.

14.2 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% and 6 month KIBOR + 2% of BAH and HMBL respectively. The maximum tenor of the murabaha is 120 days and 180 days of HMBL and BAH respectively.

The arrangement is secured against the following:

Bank Al Habib Limited

- 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.

Habib Metropolitan Bank Limited

- 1st charge over land and building of Rs.340Mn and 1st charge over Plant and Machinery of Rs.210 Mn making total of Rs. 550 Mn registered with SECP duly insured in Bank's favour covering all risk with premium payment receipt;
- 1st charge registered over Stocks / Receivables duly insured in Bank's favor covering all risk with premium payment receipt upto Rs. 400Mn;
- Personal Guarantee of four Directors i.e. Mr. Muhammad Younus Nawab , Mr. Muhammad Irfan Nawab , Mr. Muhammad Ibrahim Younus and Mr. Faizanullah;
- 1st charge over Exclusive & Specific machinery Rs.139.791 Mn already registered with SECP in report serial # 34,40 & 57 bank wise charge.

14.3 Short-term wakala has been obtained, under shariah arrangement, for the manufacture of yarn. The bank has approved a facility of Rs. 230 million (June 30, 2021: Rs. 230 million). The mark-up rate on the financing is relevant KIBOR + 1.75% per annum. The maximum tenor of the wakala facility is 180 days.

The arrangement is secured against the following:

- NIL Cash margin or as per SBP Directives, whichever is higher;
- Lien over Import documents
- Accepted draft backed by TR
- 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.

15. CONTINGENCIES AND COMMITMENTS

15.1 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, 2022 except as disclosed in note no. 8.1 of these condensed interim unconsolidated financial information.

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
15.2 Commitments	Rupees	
- Irrevocable letters of credit issued for purchase of raw materials and plant & equipment	**117,028,775**	483,268,080
- Custom duties, sales tax and income taxes on stock in transit.	**2,161,522**	13,851,826
- Revolving letter of guarantee issued by M/s Habib Metropolitan Bank Limited in favour of Sui Southern Gas Company Limited against gas bills.	**33,420,771**	31,610,615

16. SALES REVENUE - net

	Half year ended (Un-audited)		Quarter ended (Un-audited)	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
	Rupees			
Yarn sales - local	**1,491,828,142**	1,468,395,690	**723,084,120**	728,258,025
Raw material and wastage sales - local	**4,347,814**	3,710,254	**2,579,759**	1,938,789
	1,496,175,956	1,472,105,944	**725,663,879**	730,196,814

17. FINANCE COSTS

	Note	(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
		Rupees	
Markup and interest charges on:			
- Long term finances		**8,256,686**	2,554,764
- Short term Islamic financing		**66,527,078**	28,032,941
- Lease liability		**3,164,614**	2,167,239
- Refinancing Scheme for payment of Wages and Salaries	*12.2*	**217,290**	1,774,127
- Islamic Temporary Economic Refinance Facility (ITERF)	*12.3*	**7,221,597**	599,218
		85,387,265	35,128,289
Bank charges		**175,006**	259,712
Finance charges on WPPF		**1,807,400**	756,551
Murabaha and D.M documentation charges		**37,433**	104,915
Interest on unwinding of the provision for Gas Infrastructure Development Cess	*13.2*	**4,091,995**	3,545,455
Guarantee Commission		**184,370**	178,906
Local letter of credit charges		**-**	88,601
		91,683,469	40,062,429

		Note	(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
18.	**OTHER INCOME**		Rupees	
	Rental Income- net			
	Rental Income		**9,259,800**	18,451,800
	Operations and maintenance charges		**725,963**	1,926,209
			9,985,763	20,378,009
	Less: Related expense			
	Depreciation on property, plant and equipment		**(3,569,345)**	(3,967,997)
	Depreciation on investment property		**(5,247,949)**	(5,226,049)
	Insurance and property taxes		**(471,990)**	(412,840)
			(9,289,284)	(9,606,886)
			696,479	10,771,123
	Returns on deposits - Islamic bank		**757,299**	574,056
	Profit on Habib Islamic Investment Certificate		**84,727**	42,972
	Profit on Term Deposit Receipt (TDR)		**-**	594,700
	Dividend income		**64,518**	372,484
	Gain on disposal of short term investment		**-**	235,692
	Unrealized gain on remeasurement of short term investment		**5,276**	39,711
	Amortization of government grant		**3,659,304**	1,852,869
	Subsidy recoverable from LIEDA	*8.1*	**17,026,035**	-
	Other		**33,600**	64,016
			22,327,238	14,547,623
19.	**TAXATION - net**			
	Current		**19,161,208**	34,587,827
	Prior year adjustment		**-**	(18,498)
			19,161,208	34,569,329
	Deferred tax income		**(78,778,418)**	(2,222,444)
			(59,617,210)	32,346,885

20. EARNINGS PER SHARE - BASIC AND DILUTED

20.1 Basic earnings per share

	Half Year ended		Quarter ended	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
	Rupees			
(Loss) / profit after taxation	**(95,439,920)**	94,450,922	**(36,419,818)**	51,961,524
	Number			
Weighted average number of ordinary shares	**12,100,000**	12,100,000	**12,100,000**	12,100,000
	Rupees			
(Loss) / earnings per share - basic	**(7.89)**	7.81	**(3.01)**	4.29

20.2 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, 2022 and December 31, 2021.

21. 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, 2022	December 31, 2021
Transaction with related parties	**Rupees**	
SUBSIDIARIES		
Sana Logistics (Private) Limited		
Rental income	**7,800,000**	16,992,000
Reimbursement of operation and maintenance expenses	**118,416**	-
Sana Distributors (Private) Limited		
Rental income	**1,459,800**	1,459,800
Rent received	**2,110,354**	1,654,440
Reimbursement of operation and maintenance expenses	**725,963**	636,384
KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS		
Mohammad Irfan Nawab (Chief Executive officer)		
Loan obtained during the period	**1,500,000**	4,000,000
Loan repaid during the period	-	6,660,000
Ibrahim Younus (Director)		
Loan obtained during the period	**1,125,000**	-
Loan repaid during the period	**1,125,000**	-
Sabiha Younus (Spouse of Chairman)		
Rent paid during the period	-	1,414,050
Afshan Irfan (Spouse of Chief Executive)		
Loan obtained during the period	-	10,000,000
Loan repaid during the period	-	10,000,000
Rent paid during the period	-	1,414,050

	December 31, 2022	June 30, 2022
Balances with related parties at the end of the reporting period	**Rupees**	
SUBSIDIARIES		
Sana Logistics (Private) Limited		
Rent receivable	**76,639,168**	68,839,168
Receivable in respect of operation and maintenance expenses	**4,225,097**	4,106,681
Sana Distributors (Private) Limited		
Receivable in respect of operation and maintenance expenses	**420,384**	344,975
KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS		
Mohammad Irfan Nawab (Chief Executive officer)		
Loan payable as of the reporting date	**3,500,000**	2,000,000
Muhammad Faizanullah (Director)		
Loan payable as of the reporting date	**1,500,000**	1,500,000

22. 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, 2022	---------- Amount in Rupees ----------			
Financial assets measured at fair value				
Short term investment in units of mutual funds	1,018,879	-	-	1,018,879
As on June 30, 2022				
Financial assets measured at fair value				
Short term investments	958,764	-	-	958,764

23. GENERAL

23.1 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 27 FEB 2023

23.2 Level of rounding

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

23.3 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)
Long term financing -secured *(Islamic Temporary Economic Refinance Facility)*	Long term financing -secured *(Diminishing Musharaka)*	19,278,120

Chief Executive Officer | Director | Chief Financial Officer

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

	NOTE	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		-------- (Rupees) -------	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	**910,629,276**	748,034,155
Right-of-use assets		**33,278,459**	42,580,955
Intangibles		**1,658,747**	806,667
Long term advance		**-**	1,951,000
Long term deposits		**2,756,051**	2,756,051
Deferred tax asset - net		**125,352,327**	42,229,752
		1,073,674,860	838,358,580
CURRENT ASSETS			
Stock-in-trade	5	**357,329,745**	452,097,042
Stores and spares		**21,901,881**	9,479,354
Short term investments		**17,649,435**	2,664,319
Trade debts		**772,971,730**	612,794,092
Loans and advances		**52,679,061**	20,539,433
Trade deposits and short term prepayments		**6,048,773**	3,293,268
Other receivables		**25,654,842**	20,186,543
Tax refunds due from government		**139,760,561**	139,338,723
Cash and bank balances		**59,867,182**	70,244,958
		1,453,863,210	1,330,637,732
TOTAL ASSETS		**2,527,538,070**	2,168,996,312
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital		**200,000,000**	200,000,000
Issued, subscribed and paid-up capital		**121,000,000**	121,000,000
Reserves		**375,768,289**	483,686,150
Equity attributable to the shareholders of holding company		**496,768,289**	604,686,150
Non controlling Interest	6	**63,558,737**	53,567,671
Total equity		**560,327,026**	658,253,821
NON CURRENT LIABILITIES			
Long term financing	7	**230,524,919**	111,585,135
Lease liability		**23,402,359**	40,287,420
Deferred liabilites	8	**157,938,127**	122,321,952
		411,865,405	274,194,507
CURRENT LIABILITIES			
Trade and other payables		**472,325,527**	371,298,302
Accrued profit		**33,981,225**	18,045,663
Loans from directors and associates		**78,665,000**	65,055,000
Current portion of long term loans from a banking company	7	**50,106,416**	73,958,568
Current maturity of lease liability		**27,672,326**	33,859,137
Current maturity of deferred government grant		**14,186,337**	6,326,048
Provident Fund payable		**10,654,239**	4,399,561
Unclaimed dividend		**2,024,863**	1,996,426
Short term Islamic finance	9	**865,729,706**	660,441,857
Taxation - net		**-**	1,167,422
		1,555,345,639	1,236,547,984
CONTINGENCIES AND COMMITMENTS	10	**-**	-
TOTAL EQUITY AND LIABILITIES		**2,527,538,070**	2,168,996,312

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 half year and quarter ended December 31, 2022 (unaudited)

	NOTE	Half Year ended		Quarter ended	
		December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
		---------- Rupees ----------		---------- Rupees ----------	
Gross Turnover		**2,434,394,762**	2,241,604,337	**1,230,602,986**	1,194,770,261
less					
Sales tax		**(341,799,893)**	(324,552,199)	**(170,965,832)**	(170,200,908)
Commisons / returns and discounts		**(143,722,322)**	(141,509,208)	**(82,449,704)**	(95,517,529)
		1,948,872,547	1,775,542,931	**977,187,450**	929,051,824
Cost of sales	11	**(1,955,027,827)**	(1,523,344,812)	**(1,023,868,428)**	(774,725,527)
Gross profit		**(6,155,280)**	252,198,119	**(46,680,978)**	154,326,297
Selling and distribution expenses		**(15,331,820)**	(15,663,884)	**(7,762,077)**	(7,926,061)
Administrative expenses		**(59,771,456)**	(53,630,348)	**(24,921,423)**	(27,411,433)
Other operating expenses		**(1,135,609)**	(9,952,002)	**(1,135,609)**	(5,924,136)
Operating profit		**(82,394,166)**	172,951,884	**(80,500,087)**	113,064,666
Finance cost		**(98,150,896)**	(50,684,342)	**(54,109,216)**	(27,870,722)
Other Income		**42,289,164**	6,378,207	**19,008,374**	5,093,883
Profit for the period before taxation		**(138,255,897)**	128,645,749	**(115,600,929)**	90,287,827
Taxation		**52,429,102**	(36,517,922)	**62,715,472**	(29,938,760)
Profit after taxation		**(85,826,795)**	92,127,828	**(52,885,457)**	60,349,067
Earning per share	12	**(7.92)**	7.18	**(5.20)**	4.83

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 half year and quarter ended December 31, 2022 (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	**(85,826,795)**	92,127,828	**(52,885,457)**	60,349,067
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income for the period	**(85,826,795)**	92,127,828	**(52,885,457)**	60,349,067
Attributable to				
Owners Equity	**(95,817,861)**	86,911,964	**(62,876,523)**	58,501,216
Non-controlling interest	**9,991,066**	5,215,864	**3,910,730**	1,847,852
	(85,826,795)	92,127,828	**(52,885,457)**	60,349,067

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 CASH FLOW STATEMENT

For the half year and quarter ended December 31, 2022 (unaudited)

	NOTE	December 31, 2022	December 31, 2021
		---------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation		**(138,255,897)**	128,645,749
Add/(Less): Adjustments for:			
Depreciation		**72,496,907**	59,621,745
Loss/(Gain) on disposal of fixed assets		**22,462**	55,900
Profit on PLS account		**(1,923,154)**	(1,628,050)
Provision for WPPF			6,809,764
Provision for gratuity		**7,646,581**	4,949,764
Workers' welfare fund			2,587,710
Provision for doubtful receivables			498,628
Amortization of government grant		**(3,659,304)**	(2,762,692)
Unrealized gain on remeasurement of short term investment			(39,711)
Gain on disposal of short term investment		**(5,276)**	(235,692)
Dividend income		**(64,518)**	(372,484)
Provision for gas rate difference		**7,116,811**	7,002,061
Finance cost		**98,150,896**	50,684,342
Cash provided by operating activities before working capital changes		**41,525,507**	255,817,034
(Increase)/decrease in current assets	13	**(148,064,334)**	(150,400,156)
Increase/(decrease) in current liabilities	13	**101,972,492**	8,080,844
		(4,566,334)	113,497,722
Finance cost		**(71,460,815)**	(52,353,123)
Staff Compensation benefit paid		**(3,672,827)**	(2,883,068)
Payment of Workers' profit participation fund		**-**	(7,367,706)
Payment of Workers' Welfare Fund		**-**	(2,799,348)
Taxes paid		**(33,004,167)**	(34,740,290)
Net cash inflow from operating activities		**(112,704,144)**	13,354,187
Capital expenditure incurred		**(222,555,948)**	(94,760,319)
Profits received on bank accounts		**1,926,468**	1,230,214
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		**46,000**	-
Net cash used in investing activities		**(220,583,480)**	(96,520,679)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts / (Re-payment) of Short term Islamic finance		**205,287,849**	21,532,175
Receipts / (Re-payment) of Diminishing Musharegqa		**14,792,250**	(10,635,696)
Loan received against Islamic Temporary Economic Refinance Facility		**114,140,000**	(28,048,128)
Loan received against Islamic Temporary Economic Refinance Facility		**(2,933,071)**	43,255,760
Payments of long-term / Lease Liability liability		**(9,370,618)**	(2,599,854)
Dividends paid		**(12,071,563)**	(16,443,827)
Loan received / (repayment) from directors and sponsors		**13,065,000**	9,648,865
Net cash inflow from/(used in) financing activities		**322,909,848**	15,654,355
Net (decrease)/increase in cash and cash equivalents		**(10,377,776)**	(67,512,137)
Cash and cash equivalents at beginning of the period		**70,244,958**	130,132,866
Cash and cash equivalents at end of the period		**59,867,182**	62,620,729

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

Chief Executive	Director	Chief Financial Officer

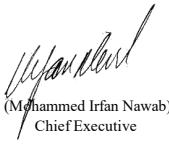
SANA INDUSTRIES LIMITED

Condensed Interim Consolidated Statement of Changes in Equity

For the six months December 31, 2021 (unaudited)

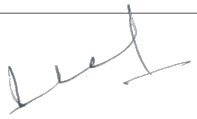
	Issued, subscribed and paid-up capital	REVENUE RESERVES				Total equity attributable to the shareholders of Holding Company	Non-controlling interest
		General reserve	Share Premium	Un-appropriated profit	Sub Total		
Balance as at July 01, 2021	110,000,000	132,500,000	96,250,000	185,452,450	414,202,450	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	5,215,864
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)	-	
Balance as at December 30, 2021	121,000,000	132,500,000	96,250,000	244,864,414	473,614,414	594,614,414	50,588,431
Balance as at July 01, 2022	121,000,000	132,500,000	96,250,000	254,936,150	483,686,150	604,686,150	53,567,671
Final dividend paid for the Year ended June 30, 2022 @ Rs. 1.00/- per share				(12,100,000)	(12,100,000)	(12,100,000)	
Total comprehensive income for the half year ended December 31, 2022	-	-	-	(95,817,861)	(95,817,861)	(95,817,861)	9,991,066
Balance as at December 31, 2022	121,000,000	132,500,000	96,250,000	147,018,289	375,768,289	496,768,289	63,558,737

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



(Mohammed Irfan Nawab)
Chief Executive

(Muhammad Faizanullah)
Director



(Saad Bin Hilal)
Chief Financial Officer

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, 2022.

The comparative balance sheet presented in this condensed interim consolidated financial information as at December 31, 2022 has been extracted from audited financial statements of the company holding company for the year ended June 30, 2022, whereas the comparative profit and loss account, statements of changes in equity and cash flow statements for the half year and quater ended Decmber 31, 2022 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, 2022.

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, 2022.

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		---------- (Rupees) ----------	
4.1	**TANGIBLE FIXED ASSETS**		
	Net book value (NBV) at the beginning of the period	**725,935,064**	504,719,654
	Add: Additions to tangible fixed assets	**134,119,147**	313,452,405
	Less: Disposals during the period (NBV)	**-**	162,569
	Depreciation charged during the period	**58,919,627**	92,074,426
		58,919,627	92,236,995
	Net book value (NBV) at the closieing of the period	**801,134,584**	725,935,064
	Capital work-in-progress	**109,494,692**	22,099,091
		910,629,276	748,034,155

		December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		---------- (Rupees) ----------	
5.	**STOCK-IN-TRADE**		
	Raw and packing material		
	- in hand	**112,581,653**	122,879,324
	- in transit	**12,332,434**	66,481,191
		124,914,087	189,360,515
	Work-in-process	**23,400,898**	27,994,064
	Finished goods	**202,793,103**	229,446,544
	Waste stock	**561,675**	344,425
	Packing Material	**5,659,982**	4,951,494
		357,329,745	452,097,042
6.	**INVESTMENTS**		
	Non-Controlling Interest		
	Share of NCI (opening)	**53,567,671**	45,372,567
	Share in Profit / (Loss)	**9,991,066**	8,195,104
		63,558,737	53,567,671
7.	**LONG TERM FINANCING**		
	Diminishing musharaka	**109,952,459**	15,026,165
	Islamic Auto Finance	**1,527,258**	1,280,067
	Financing under ITERF	**169,151,618**	95,278,903
	Financing under SBP Refinance Scheme for	**-**	-
	Payment of Salaries and Wages	**-**	27,170,940
		280,631,335	138,756,075
	Less: Current portion	**(50,106,416)**	(73,958,568)
		230,524,919	64,797,507
8	**DEFERRED LIABILITIES**		
	Deferred government grant	**47,504,430**	20,611,354
	Provision for compensated absences	**111,501**	123,238
	Gas infrastruture development cess	**53,563,299**	49,471,304
	Staff retirement benefits	**56,101,549**	52,116,056
		157,280,779	122,321,952
9.	**SHORT-TERM ISLAMIC FINANCE - secured**		
	From commercial banks	**865,729,706**	660,441,857

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

Thre were no major changes in the contingencies as reported in the fimancial statements for the year ended June 30, 2022.

10.2	**Commitments**		
	Custom duty and income tax on stock in transit	**2,161,522**	13,851,826
	Letter of gurantee issued by a commercial bank	**33,420,771**	31,610,615
	Irrevocable letter of credits	**117,028,775**	483,268,080

		Half year ended		Quarter ended	
		December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
		---------- R u p e e s ----------			
11. COST OF SALES					
Opening stock finished goods and waste		**173,821,861**	71,734,559	**178,843,347**	74,698,426
Cost of goods manufactured		**1,961,324,685**	1,585,792,644	**1,025,143,801**	834,209,492
Closing stock finished goods and waste		**(180,118,719)**	(134,182,391)	**(180,118,719)**	(134,182,391)
		1,955,027,827	1,523,344,812	**1,023,868,429**	774,725,527
12. EARNING PER SHARE - BASIC AND DILUTED					
Profit after taxation attributable to shareholders of the holding company	Rupees	**(95,817,861)**	86,911,964	**(62,876,523)**	58,501,216
Issued ordinary shares		**12,100,000**	12,100,000	**12,100,000**	12,100,000
Basic and diluted earnings per share	Rupees	**(7.92)**	7.18	**(5.20)**	4.83
13. WORKING CAPITAL CHANGES					
Decrease/(Increase) in current assets					
Stock-in-trade		**94,767,297**	(125,163,076)		
Stores and spares		**(12,422,527)**	(4,692,655)		
Short term investment		**(14,985,116)**	8,057,981		
Trade debts		**(160,177,638)**	(23,339,321)		
Advances		**(32,139,628)**	(3,206,967)		
Deposits, pre-payments and other receivables		**(8,223,804)**	1,693,242		
Sales tax refundable		**(14,882,918)**	(3,749,360)		
		(148,064,334)	(150,400,156)		
Increase/(decrease) in current liabilities					
Trade and other payables		**101,972,492**	8,080,844		

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		**40,550,000**	40,820,000
Repayment of broowings from Directors and family member		**26,940,000**	31,171,135
Rent paid to director's family members		**5,272,848**	4,242,150

15. GENERAL

15.1 These financial statements were authorised for issue by the Board of Directors on **27th Februry, 2023**.

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

Chief Executive	Director	Chief Financial Officer