



CONDENSED INTERIM FINANCIAL
ACCOUNTS
(UN-AUDITED)

For the Period Ended
March 31, 2021

SANA Industries Limited

33-D-2, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400

Phone: 021-34322556-9 Email: info@sana-industries.com

DIRECTORS' REPORT

The Directors take pleasure in submitting their Report together with the operational and financial results of the company, for the 3rd quarter/ 9 months ended March 31, 2020.

During the period under review, Pakistan's textile industry showed revival after subsiding the negative impact of Covid19 related lockdowns. The Government's policy for maintaining low policy rate and incentives for trade and industry is helping the businesses to perform well.

The consolidated results of 9 months ended March 31, 2021, have shown improvement as compared to the corresponding period of last year due to increase in sales of textile division, addition of new subsidiary, Sana Distributors (Pvt) Limited along with notable decrease in finance costs.

As previously announced, the company has started a new segment, Sana Distributors Private Limited, which is a wholly owned subsidiary by virtue of investment of Rs. 60 million in its equity.

The operations have commenced for the past two months and the aforesaid subsidiary has posted a profit of Rs. 5.57 million. Investment in subsidiary would give an exemplary lift to our top line and consolidated profits.

During the period under review:-

- The consolidated profit after tax during the period under review clocked at Rs. 64.85 million as compared to Rs. 43.36 million during the corresponding period of last year, showing a lift of 50%.
- The unconsolidated profit after tax during the period under review clocked at Rs. 75.23 million as compared to Rs. 17.60 million during the corresponding period last year, showing a lift of 327%.

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 period of last year | Annex-C |
| • Comparison of Balance Sheet of last three quarters | Annex-D |
| • Comparison of P&L Account of the last three 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

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

No bonus issue has been announced during the period.

No right issue has been announced during the period.

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.

As announced at the close of half yearly financials, December 31, 2020, the company is in the process of raising funds to the tune of Rs. 120.312 million from right issue. Keeping in line with the directors and substantial shareholders regulatory requirement, right entitlement to the tune of Rs. 65.885 million have been placed in the entity as advance against equity.

Current production capacity of textile unit is based on 31,488 spindles. The company has embarked on an expansion project to the tune of Rs. 400 million. The project is being funded as follows:

Islamic Temporary Economic Relief Facility (iTerf) (Dubai Islamic Bank Rs. 150 million + Bank Al Habib Limited Rs. 100 million)	Rs. 250 million
Diminishing Musharika (Bank Al Habib Limited)	Rs. 50 million
Own Sources	Rs. 100 million
Total	Rs. 400 million

The project shall include an addition of 2400 spindles with regard to ring spinning and 3 Murata Vortex Machines giving the production a lift equivalent to 5700 spindles. Murata Vortex Machine is a newer, modern and lean technology which is not only cost effective, it shall add much value to our current product mix.

Hence, the total lift in production capacity will be 8100 spindles giving us a consolidated base capacity of 39,588 spindles. This signifies an increase of 25.72% in the production capacity. Pre and post expansion production capacity figures are tabulated below:

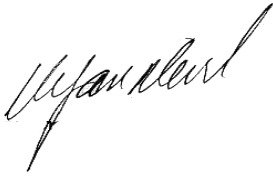
Current Capacity	31,488
Post Expansion – Increase in spindles	8100
Total Post Expansion Capacity	39,588
Percentage Increase	25.72%

The shipment of the aforementioned equipment is expected to arrive by March 2022 and installation shall be completed by June 2022. Production with enhanced capacity shall tentatively commence by July 2022.

ACKNOWLEDGMENT

We would like to place on record our deepest gratitude to all stakeholders (internal/ external), Banks, financial institutions, relevant ministries and regulators for their continuous support towards the growth of the company. We acknowledge the hard work, devotion and loyalty of the staff and workers without whom continued success could not have been achieved. We look forward to the same devotion and cooperation in the years to come.

On behalf of the Board



(Muhammed Irfan Nawab)
Chief Executive



(Muhammad Faizanullah)
Director

Karachi: 29th Apr, 2021

Annexure to Directors' Report
(Rupees in millions)

Comparison with previous quarter

Annexure A

Covering period FROM TO	01-Jan-2021 31-Mar-2021	01-Oct-2020 31-Dec-2020	VARIATION	
			Amount	Percentage
Turnover - net	744.95	529.00	215.94	40.82%
Cost of Sales	668.35	459.34	209.01	45.50%
Gross Profit	76.60	69.66	6.94	9.96%
G.P.Rate to Sales	10.28%	13.17%		-2.89%
Administrative, Selling, Financial & Other expenses	56.35	50.56	5.80	11.46%
Other income	6.23	5.29	0.95	17.89%
Net Profit before taxation	26.48	24.40	2.09	8.55%
Net Profit Rate to Sales	3.55%	4.61%		
Provision for Taxation	(2.73)	16.77	(19.49)	-116.27%
Profit after Taxation	29.21	7.63	21.58	282.77%
Earning per share (before tax)	3.08	2.84	0.24	8.45%
Earning per share (after tax)	3.40	0.89	2.51	282.02%

Comparison with corresponding quarter of last year

Annexure B

Covering period FROM TO	01-Jan-2021 31-Mar-2021	01-Jan-2020 31-Mar-2020	VARIATION	
			Amount	Percentage
Turnover - net	744.95	462.36	282.58	61.12%
Cost of Sales	668.35	403.39	264.95	65.68%
Gross Profit	76.60	58.97	17.63	29.90%
G.P.Rate to Sales	10.28%	12.75%		
Administrative, Selling, Financial & Other expenses	56.35	46.29	10.06	21.73%
Other income	6.23	0.61	5.62	916.66%
Net Profit before taxation	26.48	13.29	13.20	99.33%
Net Profit Rate to Sales	3.55%	2.87%		
Provision for Taxation	(2.73)	(1.49)	(1.24)	83.13%
Profit after Taxation	29.21	14.77	14.43	97.69%
Earning per share (before tax)	3.08	1.55	1.53	98.71%
Earning per share (after tax)	3.40	1.72	1.68	97.67%

Comparison with corresponding period of last year

Annexure C

Covering period FROM TO	01-July-2020 31-Mar-2021	01-Jul-2019 31-Mar-2020	VARIATION	
			Amount	Percentage
Turnover - net	1,829.25	1,543.08	286.17	18.55%
Cost of Sales	1,611.23	1,332.04	279.19	20.96%
Gross Profit	218.03	211.04	6.98	3.31%
G.P.Rate to Sales	11.92%	13.68%		
Administrative, Selling, Financial & Other expenses	149.48	149.25	0.23	0.15%
Other income	13.74	4.24	9.50	-223.79%
Net Profit before taxation	82.29	66.04	16.25	-24.61%
Net Profit Rate to Sales	4.50%	4.28%		
Provision for Taxation	17.44	22.68	(5.24)	-23.11%
Profit after Taxation	64.85	43.36	21.49	49.57%
Earning per share (before tax)	9.58	7.68	1.90	24.74%
Earning per share (after tax)	7.55	5.05	2.50	49.50%

COMPARISON OF BALANCE SHEET OF THREE QUARTERS

	1ST QUARTER 30-Sep-2020 Rupees	2ND QUARTER 31-Dec-2020 Rupees	3RD QUARTER 31-Mar-2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant and equipments	557,871,305	539,039,756	540,588,927
Right to use assers	74,950,436	70,303,686	65,656,936
Long-term deposits	2,756,051	2,756,051	2,756,051
Deferred tax asset - net	5,443,869	-	-
	641,021,661	612,099,493	609,001,914
CURRENT ASSETS			
Stock-in-trade / Stores and spares	199,273,513	187,460,199	294,738,831
Short term investment	1,705,555	1,705,555	10,255,555
Trade debts- unsecured, considered good	439,650,357	407,089,027	554,484,249
Advances	35,941,374	81,527,259	31,532,615
Deposits and pre-payments	6,919,470	5,840,560	5,844,296
Other receivables	4,916,331	3,135,053	17,711,712
Taxation - net	160,773,174	139,866,549	154,078,821
Cash and bank balances	52,032,198	67,836,527	40,046,632
	901,211,972	894,460,729	1,108,692,712
TOTAL ASSETS	1,542,233,633	1,506,560,222	1,717,694,626
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital	85,937,500	85,937,500	85,937,500
Reserves	324,765,099	323,139,950	418,198,981
Attributable to equity holders of the parent	410,702,599	409,077,450	504,136,481
Non-controlling interest	38,699,833	38,043,707	36,472,084
	449,402,431	447,121,158	540,608,565
NON CURRENT LIABILITIES			
Long term financing	120,222,317	111,996,712	113,467,476
Lease Liability	74,922,467	70,021,778	66,768,152
Deffered Liabilities	38,809,914	54,141,244	50,882,160
	233,954,697	236,159,734	231,117,787
CURRENT LIABILITIES			
Trade and other payables	206,393,505	160,819,532	234,158,593
Advances from Customers	78,298,317	75,581,883	73,085,339
Accrued profit on Murabaha/Mushareka arrangements	4,937,867	7,268,614	9,455,946
Loans from directors and associates	45,845,000	38,945,000	42,745,000
Current portion of long term financing	85,801,411	112,403,793	100,265,135
Current maturity of lease liability	13,318,771	14,439,641	15,606,272
Current maturity of deferred government grant	3,146,267	5,410,888	4,293,954
Unclaimed dividend	1,866,118	1,903,687	1,903,687
Short term arrangements	419,269,249	406,506,294	464,454,349
Taxation - net	-	-	-
	858,876,504	823,279,331	945,968,274
CONTINGENCIES AND COMMITMENTS	-	-	-
TOTAL EQUITY AND LIABILITIES	1,542,233,633	1,506,560,222	1,717,694,625
Debt Equity Ratio	34.24%	34.56%	29.95%
Current Ratio	1.05	1.09	1.17

COMPARISON OF PROFIT & LOSS ACCOUNT OF THREE QUARTERS.

	1ST QUARTER 30-Sep-2020 Rupees	2ND QUARTER 31-Dec-2020 Rupees	3RD QUARTER 31-Mar-2021 Rupees	Y.T.D. 31-Mar-2021 Rupees
Gross turnover	555,303,787	529,003,330	744,946,134	1,829,253,251
Cost of sales	(483,541,627)	(459,338,730)	(668,346,423)	(1,611,226,779)
Gross profit	71,762,160	69,664,600	76,599,711	218,026,472
G.P.Rate	12.92%	13.17%	13.17%	11.92%
General and administration expenses	(23,060,176)	(22,591,123)	(27,136,989)	(72,788,288)
Selling and distribution expenses	(5,055,353)	(6,165,566)	(6,340,327)	(17,561,246)
Other operating expenses	(2,280,822)	(2,465,711)	(2,663,126)	(7,409,659)
Operating profit	41,365,809	38,442,200	40,459,269	120,267,278
Finance cost	(12,171,664)	(19,334,528)	(20,212,402)	(51,718,594)
Other income	2,218,716	5,288,602	6,234,780	13,742,098
Profit for the period before taxation	31,412,861	24,396,274	26,481,648	82,290,783
Provision for taxation - current	(10,871,062)	6,582,990	(2,142,318)	(6,430,389)
- prior year	-	(5,045,974)	(0)	(5,045,975)
- deferred (current)	7,466,624	(18,302,435)	4,869,651	(5,966,160)
	(3,404,438)	(16,765,419)	2,727,333	(17,442,524)
Profit / Loss after taxation	28,008,423	7,630,855	29,208,980	64,848,259
Earning per share before taxation	3.66	2.84	3.08	9.58
Earning per share after taxation	3.26	0.89	3.40	7.55

SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2021 (UN-AUDITED)

	NOTE	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Property , plant and equipment	5	338,870,991	355,849,999
Right-of-use assets		24,969,688	27,966,050
Investment property		54,852,833	62,691,909
Investments	6	95,000,000	35,000,000
Long-term deposits		2,756,051	2,756,051
Deferred tax assets		-	5,572,305
		516,449,563	489,836,314
CURRENT ASSETS			
Stock-in-trade	7	253,997,226	201,493,653
Stores and spares		12,193,047	6,828,622
Short term investment		1,705,555	1,705,555
Trade debts- unsecured, considered good		423,047,480	247,906,234
Loans and advances		21,763,756	41,585,391
Trade deposits and short-term pre-payments		5,844,296	1,715,715
Other receivables		35,029,307	17,796,559
Taxation - net	8	101,587,634	98,454,393
Cash and bank balances		21,455,576	53,312,333
		876,623,876	670,798,454
TOTAL ASSETS		1,393,073,439	1,160,634,769
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10/- each		200,000,000	100,000,000
Issued, subscribed and paid-up capital			
8,593,750 (June 30, 2020: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
Reserves		392,050,886	259,564,475
Shareholder's equity		477,988,386	345,501,975
NON CURRENT LIABILITIES			
Long term loans from a banking company	9	78,173,582	72,380,513
Lease liability		30,044,592	30,830,611
Deferred Liabilities	10	53,646,538	36,914,143
		161,864,711	140,125,267
CURRENT LIABILITIES			
Trade and other payables		151,730,996	132,744,787
Advances from customers		69,900,915	66,973,692
Finance Cost payable		9,455,946	24,812,736
Loans from directors & sponsors		7,760,000	15,910,000
Current portion of long term loans from a banking company	9	43,921,092	16,731,287
Current portion of lease liability		1,703,708	1,130,437
Current maturity of deferred government grant		2,389,647	2,603,988
Unclaimed dividend		1,903,687	1,890,010
Morabaha Arrangements	11	464,454,349	412,210,590
Taxation - net	8	-	-
		753,220,340	675,007,527
CONTINGENCIES AND COMMITMENTS		12	-
TOTAL EQUITY AND LIABILITIES		1,393,073,438	1,160,634,769

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, 2021 (UN-AUDITED)

		Three Quarters ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		----- Rupees -----		----- Rupees -----	
Turnover - net		1,506,936,429	1,267,212,120	565,565,032	387,204,135
Cost of sales	13	(1,333,408,388)	(1,135,527,416)	(502,864,673)	(346,484,424)
Gross profit		173,528,041	131,684,704	62,700,359	40,719,711
Selling and distribution expenses		(15,862,476)	(15,375,128)	(5,591,755)	(4,851,946)
Administrative expenses		(47,501,459)	(43,642,699)	(17,286,600)	(14,027,160)
Other operating expenses		(7,137,926)	(3,352,981)	(2,391,393)	(1,461,806)
Operating profit		103,026,181	69,313,896	37,430,611	20,378,799
Finance costs		(38,057,156)	(58,952,577)	(15,545,616)	(18,173,132)
Other operating income		11,702,110	3,196,540	5,270,034	555,642
Rental income - net		15,181,368	14,253,108	5,094,380	4,841,059
Profit before taxation		91,852,503	27,810,966	32,249,409	7,602,367
Provision for taxation		24,375	(17,635,915)	-	(4,668,444)
Deferred taxation		(16,644,618)	7,415,911	205,107	1,795,154
		(16,620,244)	(10,220,003)	205,107	(2,873,289)
Profit after taxation		75,232,259	17,590,963	32,454,516	4,729,078
Earning per share - Basic and Diluted	14	8.75	2.05	3.78	0.55

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, 2021 (UN-AUDITED)

	Three Quarters ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----		----- Rupees -----	
Profit for the period	75,232,259	17,590,963	32,454,516	4,729,078
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	75,232,259	17,590,963	32,454,516	4,729,078

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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2021 (UN-AUDITED)

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total
		General reserves	Un- appropriated profit	Sub Total	
Balance as at July 01, 2019	85,937,500	132,500,000	146,889,565	279,389,565	365,327,065
Final dividend for the year ended June 30, 2019	-	-	(21,484,375)	(21,484,375)	(21,484,375)
Total comprehensive income for the period	-	-	17,590,963	17,590,963	17,590,963
Balance as at March 31, 2019	85,937,500	132,500,000	142,996,153	275,433,653	361,433,653
Balance as at July 01, 2020	85,937,500	132,500,000	127,062,327	259,562,327	345,499,827
Interim dividend for the year ended June 30, 2021	-	-	(8,593,750)	(8,593,750)	(8,593,750)
Advance against equity	65,850,050	-	-	65,850,050	65,850,050
Total comprehensive income for the period	-	-	75,232,259	75,232,259	75,232,259
Balance as at March 31, 2021	151,787,550	132,500,000	193,700,836	392,050,886	477,988,386

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, 2021 (UN-AUDITED)

	March 31, 2021	March 31, 2020
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	91,852,503	27,810,966
Adjustments for:		
Depreciation	60,532,597	56,598,003
Gain on sale of fixed assets	(7,750,003)	(2,275,963)
Provision for gratuity	7,049,531	7,049,531
Provision for workers welfare fund	2,188,405	1,045,709
Provision for workers profit participation fund	4,949,521	1,518,772
Profit on PLS saving accounts	(682,864)	(340,382)
Provision for doubtful receivables	-	(500,000)
Finance costs	38,057,156	58,967,766
	-----	-----
Cash generated by operating activities before working capital changes	196,196,845	149,874,402
(Increase) / decrease in current assets	(234,548,937)	(83,330,225)
(Decrease) / Increase in current liabilities	21,913,432	84,765,152
	-----	-----
	(16,438,660)	151,309,329
Finance costs	(53,063,354)	(47,393,733)
Staff benefits paid	(2,273,136)	(1,913,984)
Payment of Workers' profit participation fund	(1,490,416)	(4,339,483)
Income taxes paid	(20,082,894)	(16,306,617)
Income tax refunds received during the period	17,281,453	-
	-----	-----
Net cash inflow from operating activities	(76,067,007)	81,355,512
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(36,645,759)	(24,475,701)
Profit received from PLS saving accounts	(689,870)	378,595
Investment in subsidiary	(60,000,000)	-
Proceeds from sale of operating fixed assets	11,741,370	2,250,000
Net cash used in investing activities	(85,594,259)	(21,847,107)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts / (Repayments) under short term morabaha	52,243,759	(34,567,082)
Receipts / (Repayments) under long term musharaka	32,982,874	(18,074,990)
Advance against Equity	65,850,050	-
Loans from directors & sponsors-net	(8,150,000)	(3,700,000)
Lease liability repayments	(4,542,100)	(2,454,000)
Dividends paid	(8,580,074)	(21,403,379)
Net cash inflow from/(used in) financing activities	129,804,509	(80,199,451)
	-----	-----
Net (decrease) / increase in cash and cash equivalents	(31,856,757)	(20,691,046)
Cash and cash equivalents at beginning of the period	53,312,333	29,971,577
	-----	-----
Cash and cash equivalents at the end of the period	21,455,576	9,280,531
	=====	=====

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, 2021 (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 financial information and should be read in conjunction with the preceding published annual financial statements for the year ended June 30, 2020.

The comparative balance sheet presented in this unconsolidated condensed interim financial information as at March 31, 2021 has been extracted from audited financial statements of the holding company for the year ended June 30, 2020, 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, 2020 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, 2020.

4. ESTIMATES AND JUDGMENTS

The significant judgment, estimates and assumptions used by the management in preparation of this condensed interim financial information are the same as those applied to the preceding published annual financial statements of the company for the year ended June 30, 2020.

	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	----- (Rupees) -----	
5. PROPERTY, PLANT AND EQUIPMENT		
Net book value (NBV) at the beginning of the period	355,849,999	390,637,695
Add: Additions to tangible fixed assets	36,645,759	29,406,083
Less: Disposals during the period (NBV)	3,991,367	4,037
Depreciation charged during the period	49,633,400	64,189,742
	53,624,767	64,193,779
Net book value (NBV) at the closing of the period	338,870,991	355,849,999
Capital work-in-progress	-	-
	338,870,991	355,849,999
	=====	=====

	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	----- (Rupees) -----	
5.1 ADDITIONS		
Land and Building on leasehold land	1,261,200	1,090,667
Office premises - SF/96	-	-
Plant and machinery	14,189,163	27,059,769
Electrification - Factory building	-	550,000
Furniture, fixtures and office equipments	279,013	170,000
Vehicles	20,777,983	324,647
Computers	138,400	-
	-----	-----
	36,645,759	29,406,083
	=====	=====
6. INVESTMENTS		
Equity investments		
-Sana Logistics Private Limited	35,000,000	35,000,000
-Sana Distributors Private Limited	60,000,000	-
	-----	-----
	95,000,000	35,000,000
	=====	=====
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. Limited.(June 30, 2020, 70 percent shares) and 99 percent owns in Sana Distributors Private Limited.(June 30, 2020, Nil shares)		
7. STOCK-IN-TRADE		
Raw and packing material		
- in hand	147,581,529	72,862,452
- in transit	25,186,138	-
	-----	-----
	172,767,667	72,862,452
Work-in-process	9,272,078	34,610,933
Finished goods	71,215,530	91,199,918
Waste stock	741,950	2,820,350
	-----	-----
	253,997,226	201,493,653
	=====	=====
8. TAXATION - NET		
Tax refunds due from government	81,504,723	96,953,795
Advance income tax	20,082,911	24,683,565
Provision for taxation	-	(23,182,967)
	-----	-----
	101,587,634	98,454,393
	=====	=====
9. LONG TERM LOAN FROM A BANKING COMPANY		
Diminishing Mushareka from a commercial bank	122,094,674	123,971,833
Less: Current portion	(43,921,092)	(52,747,718)
	-----	-----
	78,173,582	71,224,115
	=====	=====
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	465,576	475,626
Deferred taxation	11,072,313	11,277,420
Deferred government grant	398,272	806,275
Staff retirement benefits	41,710,377	39,375,818
	-----	-----
	53,646,538	51,935,139
	=====	=====
11. MORABAHA ARRANGEMENT - secured		
From commercial banks	464,454,349	412,210,590
	-----	-----
	464,454,349	412,210,590
	=====	=====

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There were no major changes in the contingencies as reported in the financial statements for the Half year ended December 31, 2020.

12.2 Commitments

Custom duty and income tax on stock in transit	3,751,064	-
Outstanding letter of credits	131,765,671	77,243,846
Letters of guarantee issued by a commercial bank	29,376,705	29,376,705

	Three Quarters Ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----		----- Rupees -----	
13. COST OF SALES				
Opening stock finished goods and waste	94,020,268	23,320,832	83,994,404	112,620,139
Cost of goods manufactured	1,311,345,600	1,228,548,598	490,827,750	350,206,299
Closing stock finished goods and waste	(71,957,480)	(116,342,013)	(71,957,480)	(116,342,013)
	<u>1,333,408,388</u>	<u>1,135,527,416</u>	<u>502,864,673</u>	<u>346,484,424</u>

14. EARNING PER SHARE - BASIC AND DILUTED

Profit after taxation	Rupees 75,232,259	17,590,963	32,454,516	4,729,078
Issued ordinary shares	8,593,750	8,593,750	8,593,750	8,593,750
Basic and diluted earnings per share	Rupees 8.75	2.05	3.78	0.55

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, 2021	March 31, 2020
		----- Rupees -----	
Staff retirement benefit plans	Contribution to gratuity fund	7,049,531	7,049,531
Key management personnel	Remuneration and benefits	34,337,899	31,002,261
	Borrowings from Directors' family member	49,250,000	29,461,883
	Repayment of borrowings from Directors' family member	57,400,000	33,161,883
	Rent paid to director's family members	4,542,100	2,454,000
	Rental income from subsidiary company	30,105,705	29,282,570
		March 31, 2020 (Un-audited)	June 30, 2020 (Audited)
		----- (Rupees) -----	
Outstanding balances as of period end / year end :			
	Borrowings from Directors' family member	<u>7,760,000</u>	<u>15,910,000</u>
	Receivable from subsidiary company	<u>29,732,985</u>	<u>15,733,686</u>

16. DATE OF AUTHORIZATION FOR ISSUE

16.1 These financial statements were authorised for issue on **29 April 2021** by the Board of Directors of the Company.

17. GENERAL

17.1 Amounts have been rounded off to the nearest Rupee.



Director



Chief Executive

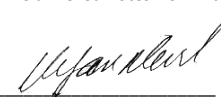


Chief Financial Officer


SANA INDUSTRIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021.

	NOTE	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	540,588,927	565,900,908
Right-of-use assets		65,656,936	79,597,185
Long term deposits and prepayments		2,756,051	2,756,051
Deferred tax asset - net		-	4,228,063
		-----	-----
		609,001,914	652,482,207
CURRENT ASSETS			
Stock-in-trade	7	282,545,784	201,493,653
Stores and spares		12,193,047	6,828,622
Short term investments		10,255,555	1,705,555
Trade debts		554,484,249	339,567,837
Loans and advances		31,532,615	41,820,762
Trade deposits and short term prepayments		5,844,296	2,159,357
Other receivables		17,711,712	2,112,791
Tax refunds due from government	8	154,078,821	146,398,709
Cash and bank balances		40,046,632	61,711,634
		-----	-----
		1,108,692,712	803,798,920
TOTAL ASSETS		-----	-----
		1,717,694,626	1,456,281,127
		=====	=====
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital			
20,000,000 Ordinary shares of Rs. 10/- each		200,000,000	100,000,000
		-----	-----
Issued, subscribed and paid-up capital			
8,593,750 (30-6-2020: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
Reserves		418,198,981	296,094,422
		-----	-----
Equity attributable to the shareholders of holding Company		504,136,481	382,031,922
Non controlling interest			
	6	36,472,084	39,362,086
		-----	-----
		540,608,565	421,394,008
NON CURRENT LIABILITIES			
Long term financing	9	113,467,476	120,640,429
Lease liability		66,768,152	77,870,831
Deferred liabilities	10	50,882,160	37,412,009
		-----	-----
		231,117,787	235,923,269
CURRENT LIABILITIES			
Trade and other payables		234,158,593	156,225,052
Advances from Customers		73,085,339	66,516,216
Accrued profit on Murabaha/Mushareka arrangements		9,455,946	24,970,742
Loans from directors & sponsors		42,745,000	63,345,000
Current portion of long term financing	9	100,265,135	57,947,118
Current maturity of lease liability		15,606,272	12,268,197
Current maturity of deferred government grant		4,293,954	3,590,925
Unclaimed dividend	6	1,903,687	1,890,010
Short term arrangements	11	464,454,349	412,210,590
Taxation - net	8	-	-
		-----	-----
		945,968,274	798,963,850
CONTINGENCIES AND COMMITMENTS			
	12	-	-
TOTAL EQUITY AND LIABILITIES		-----	-----
		1,717,694,626	1,456,281,127
		=====	=====

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


 Chief Executive


 Director


 Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE QUARTERS ENDED MARCH 31, 2021 (UN-AUDITED)**

		Three Quarter ended		Quarter ended	
		March 31,	March 31,	March 31,	March 31,
		2021	2020	2021	2020
		----- Rupees -----		----- Rupees -----	
Turnover - net		1,829,253,251	1,543,082,188	744,946,134	462,361,280
Cost of sales	13	(1,611,226,779)	(1,332,038,409)	(668,346,423)	(403,394,213)
Gross profit		218,026,472	211,043,779	76,599,711	58,967,067
Administrative expenses		(72,788,288)	(59,143,913)	(27,136,989)	(18,073,412)
Distribution expenses		(17,561,246)	(17,150,760)	(6,340,327)	(5,118,696)
Other operating expenses		(7,409,659)	(3,550,481)	(2,663,126)	(1,659,306)
		(97,759,193)	(79,845,154)	(36,140,442)	(24,851,414)
Operating profit		120,267,278	131,198,625	40,459,269	34,115,653
Finance costs		(51,718,594)	(69,401,550)	(20,212,402)	(21,443,280)
Other income		13,742,098	4,244,092	6,234,780	613,259
		(37,976,496)	(65,157,458)	(13,977,622)	(20,830,021)
Profit before taxation		82,290,783	66,041,167	26,481,648	13,285,632
Taxation		(17,442,524)	(22,684,330)	2,727,333	1,489,278
Profit after taxation		64,848,259	43,356,837	29,208,980	14,774,910
Earning per share - Basic and Diluted	14	7.55	5.05	3.40	1.72

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


Chief Executive

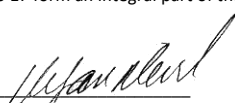

Director


Chief Financial Officer

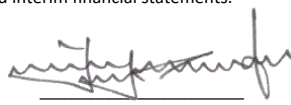
SANA INDUSTRIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE QUATERS ENDED MARCH 31, 2021 (Un-audited)

	<u>Three Quarter ended</u>		<u>Quarter ended</u>	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----		----- Rupees -----	
Profit for the period	64,848,259	43,356,837	29,208,980	14,774,910
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>64,848,259</u>	<u>43,356,837</u>	<u>29,208,980</u>	<u>14,774,910</u>
Attributable to				
Owners Equity	68,338,261	36,321,398	31,380,603	18,336,771
Non-controlling interest	<u>(3,490,002)</u>	<u>7,035,439</u>	<u>(2,171,623)</u>	<u>(3,561,861)</u>
	<u>64,848,259</u>	<u>43,356,837</u>	<u>29,208,980</u>	<u>14,774,910</u>

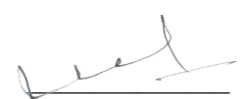
The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive



Director

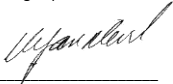


Chief Financial Officer

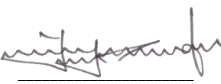
SANA INDUSTRIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE QUARTERS ENDED MARCH 31, 2021

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total equity attributable to the shareholders of Holding Company	Non-controlling interest
		General reserve	Un- appropriated profit	Sub Total		
Balance as at July 01, 2019	85,937,500	132,500,000	158,438,846	290,938,846	376,876,346	29,921,385
Final dividend for the year ended June 30, 2019	-	-	(21,484,375)	(21,484,375)	(21,484,375)	-
Total comprehensive income for the period	-	-	36,321,398	36,321,398	36,321,397.83	7,035,439
Balance as at March 31, 2020	85,937,500	132,500,000	173,275,869	305,775,869	391,713,369	36,956,824
Balance as at July 01, 2020	85,937,500	132,500,000	163,594,422	296,094,422	382,031,922	39,362,086
Non-controlling interest arising on a business combination	-	-	-	-	-	600,000
Advance against equity	65,850,050	-	-	65,850,050	65,850,050	-
Interim dividend for the period ended June 2021	-	-	(8,593,750)	(8,593,750)	(8,593,750)	-
Total comprehensive income for the period	-	-	64,848,259	64,848,259	64,848,259	(3,490,002)
Balance as at March 31, 2021	151,787,550	132,500,000	219,848,931	418,198,981	504,136,481	36,472,084

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



Chief Executive



Director

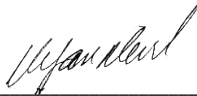


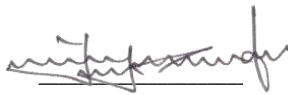
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE QUATERS ENDED MARCH 31, 2021 (Un-audited)

	Note	MARCH 31, 2021	MARCH 31, 2020
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before taxation		82,290,783	66,041,167
Adjustments for:			
- Depreciation		89,538,949	74,592,117
- Gain on sale of fixed assets		(7,750,003)	(3,150,963)
- Provision for gratuity		7,049,531	7,049,531
- Provision for Workers' Profit Participation Fund		4,949,521	1,518,772
- Provision for Workers' Welfare Fund		2,188,405	1,045,709
- Profit on bank accounts		(737,212)	(512,934)
- Provision for doubtful receivables		-	(500,000)
- Amortization of government grant		-	-
- Finance cost		51,718,594	69,401,550
		-----	-----
Cash generated by operating activities before working capital changes		229,248,566	215,484,948
(Increase) / decrease in current assets		(326,873,586)	(58,842,835)
(Decrease) / Increase in current liabilities		84,502,664	95,225,468
		-----	-----
Cash generated from operations		(13,122,356)	251,867,582
Taxes paid during the period		(28,792,470)	(34,875,864)
Income tax refunds received during the period		17,281,453	-
Staff Compensation benefit paid		(2,273,136)	(1,913,984)
Payment of Workers' profit participation fund		(1,490,416)	(4,339,483)
Finance cost paid		(67,233,390)	(58,063,635)
		-----	-----
Net cash inflow from operating activities		(95,630,315)	152,674,616
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(43,897,581)	(31,452,508)
Proceeds from sale of operating fixed assets		11,741,370	3,975,000
Acquisition of non-controlling interest		600,000	-
Profit received from bank accounts		(622,893)	551,147
Long term deposits		-	1,945,000
Net cash used in investing activities		(32,179,104)	(24,981,362)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(8,580,074)	(21,403,379)
(Repayment) / borrowing under short term morabaha		52,243,759	(34,567,082)
Advance received against equity		65,850,050	-
(Repayment) of lease liability		(17,914,382)	(6,193,500)
(Repayment) of long term liability		(12,549,666)	(15,125,545)
Receipts/ (Repayments) under long term musharika		47,694,730	(31,622,793)
Borrowings / (Repayment) from related party		(20,600,000)	(36,540,000)
Net cash inflow from/(used in) financing activities		106,144,417	(145,452,299)
		-----	-----
Net (decrease) / increase in cash and cash equivalents		(21,665,002)	(17,759,044)
Cash and cash equivalents at beginning of the period		61,711,634	30,661,897
		-----	-----
Cash and cash equivalents at the end of the period		40,046,632	12,902,853
		=====	=====

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


Chief Executive


Director


Chief Financial Officer

SANA INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE QUARTERS ENDED MARCH 31, 2021 (Un-audited)

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 Subsidiary Company are as follows;

1.1 Sana Industries Limited (The Holding Company)

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

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>99.00%</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 interim consolidated financial information does not include all the information required for preparation of full

The comparative balance sheet presented in this condensed interim consolidated financial information as at December 31, 2020 has been extracted from audited financial statements of the company holding company for the year ended June 30, 2020, whereas the comparative profit and loss account, statements of changes in equity and cash flow statements for the half year ended December 31, 2020 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, 2020.

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, 2020.

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		----- (Rupees) -----	
5. TANGIBLE FIXED ASSETS			
Net book value (NBV) at the beginning of the period		563,346,992	619,194,412
Add: Additions to tangible fixed assets	4.1	43,897,581	41,652,380
Less: Disposals during the period (NBV)		3,991,367	2,320,995
Depreciation charged during the period		65,388,953	95,178,805
		69,380,320	97,499,800
		-----	-----
Net book value (NBV) at the closing of the period		537,864,253	563,346,992
Capital work-in-progress		2,724,674	2,553,916
		-----	-----
		540,588,927	565,900,908
		=====	=====
5.1 ADDITIONS			
Land and Building on leasehold land		1,261,200	1,090,667
Office premises - SF/96		-	-
Plant and machinery		16,389,163	32,678,267
Electrification - Factory building		1,488,905	550,000
Handling equipments		1,279,909	1,601,599
Furniture, fixtures and office equipments		1,223,286	416,200
Vehicles		20,777,983	4,907,000
Computers		1,477,135	408,647
		-----	-----
		43,897,581	41,652,380
		=====	=====
6. INVESTMENTS			
Non-Controlling Interest			
Share of NCI (opening)		39,362,086	29,921,385
Share in Profit / (Loss)		(3,490,002)	9,440,701
		-----	-----
		35,872,084	39,362,086
		=====	=====
7. STOCK-IN-TRADE			
Raw and packing material			
- in hand		176,130,087	72,862,452
- in transit		25,186,138	-
		-----	-----
		201,316,225	72,862,452
Work-in-process		9,272,078	34,610,933
Finished goods		71,215,530	91,199,918
Waste stock		741,950	2,820,350
		-----	-----
		282,545,784	201,493,653
		=====	=====
8. TAXATION - NET			
Advance income tax		29,351,204	46,099,808
Provision for Taxation		(6,430,389)	(35,334,841)
Tax refunds due from government		131,158,006	135,633,742
		-----	-----
		154,078,821	146,398,709
		=====	=====

9. LONG TERM FINANCING

Long term liability-Secured and considered good
Diminishing musharaka
Islamic Auto Finance
Financing under SBP Refinance Scheme for
Payment of Salaries and Wages

14,003,581	26,553,247
84,233,530	96,367,700
15,893,589	3,129,773
99,601,911	52,536,827

	213,732,611	178,587,547
Less: Current portion	(100,265,135)	(57,947,118)
	113,467,476	120,640,429

10. DEFERRED LIABILITIES

Deferred government grant
Provision for compensated absences
Deferred taxation
Staff retirement benefits

717,292	1,873,991
465,576	831,315
7,988,915	-
41,710,377	34,706,703
50,882,160	37,412,009

11. SHORT-TERM ARRANGEMENT - secured

From commercial banks

464,454,349	412,210,590
464,454,349	412,210,590

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There were no major changes in the contingencies as reported in the financial statements for the Half year ended December 31, 2020.

12.2 Commitments

Custom duty and income tax on stock in transit

3,751,064	-
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Letter of guarantee issued by a commercial bank

29,376,705	29,376,705
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Irrevocable letter of credits

131,765,671	77,243,846
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Three Quarters Ended

March 31, 2021 March 31, 2020

----- Rupees -----

Quarter ended

March 31, 2021 March 31, 2020

----- Rupees -----

13. COST OF SALES

Opening stock finished goods and waste
Purchases of finished goods
Cost of goods manufactured
Closing stock finished goods and waste

94,020,268	23,320,832	83,994,404	112,620,139
	-		-
1,589,163,992	1,425,059,590	656,309,499	407,116,087
(71,957,480)	(116,342,013)	(71,957,480)	(116,342,013)
1,611,226,779	1,332,038,409	668,346,423	403,394,213

14. EARNING PER SHARE - BASIC AND DILUTED

Profit after taxation

Rupees 64,848,259 43,356,836.78 29,208,980 14,774,910

Issued ordinary shares

8,593,750 8,593,750 8,593,750 8,593,750

Basic and diluted earnings per share

Rupees 7.55 5.05 3.40 1.72

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, 2021	March 31, 2020
		----- Rupees -----	
Staff retirement benefit plans	Contribution to gratuity fund	7,049,531	7,049,531
Key management personnel	Remuneration and benefits	53,616,841	49,842,261
Borrowings from Directors' family member		128,100,000	90,461,883
Repayment of borrowings from Directors' family member		148,700,000	127,001,883
Rent paid to directors' family members		8,655,700	6,193,500
		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		----- (Rupees) -----	
Outstanding balances as of period end / year end :			
Borrowings from Directors' family member		<u>42,745,000</u>	<u>63,345,000</u>

16. DATE OF AUTHORIZATION FOR ISSUE

16.1 These financial statements were authorized for issue on 29th April 2021 by the Board of Directors of the Company.

17. GENERAL


17.1 Amounts have been rounded off to the nearest Rupee.



Chief Executive



Director



Chief Financial Officer