

**Quarterly  
Accounts**

**(UN- AUDITED)**

**As at 30<sup>th</sup> September, 2017**

**(1<sup>st</sup> QUARTER)**

**Sana Industries Limited**

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

Phone # 32561728-29, Email : [info@sana-industries.com](mailto:info@sana-industries.com)

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## COMPANY INFORMATION

### Board of Directors

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

### H.R. & Remuneration Committee

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

### Audit Committee

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

### C.F.O./Company Secretary

Mr.Abdul Hussain Antaria

### Registered Office

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

### Mills

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

### Auditors

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

### Legal Advisors

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

### Bankers

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

### Share Registrars

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

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

## DIRECTORS' REPORT

The Directors take pleasure in submitting the un-audited accounts, for the First Quarter ended 30th September, 2017, as required by the Securities and Exchange Commission of Pakistan, vide Circular No.2(52)SE/2001 dated 5/11/2001.

Alhamdo-Lillah, the results of the First quarter have shown improvement as compared to the 1<sup>st</sup> quarter of last year, due to prevailing market conditions and the Net Loss of Rs.17.50 million for the previous quarter has been reduced to Rs.6.53 million. During the period under review:-

- (a) the 'consolidated' Net Loss, before tax, has decreased from a loss of Rs.17.50 million, in the previous quarter to a loss of Rs.6.53 million, in the current quarter.
- (b) the 'consolidated' Net Loss, before tax, during the corresponding period of last year, amounting to Rs.9.62 million has been reduced to a loss of Rs.6.53 million.

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

- (a) Comparison with previous quarter Annex-A
- (b) Comparison with corresponding quarter of last year Annex-B

## FUTURE PROSPECTS

The Management has a neutral view about the future profitability of the Company, due to present adverse market conditions.

## DIVIDEND

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

## PERSONNEL

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

Karachi: 30<sup>th</sup> October, 2017.

(Mohammed Irfan Nawab)  
Chief Executive

## ڈائریکٹرز رپورٹ

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر ۲ (۵۲) سی ای / ۲۰۰۱ بتاریخ 05/11/2017 کے مطابق 30 ستمبر 2017 کو ختم ہونے والی پہلی سہ ماہی کے لئے ڈائریکٹر غیر پڑتال شدہ اکاؤنٹس جمع کرنے میں خوشی رکھتے ہیں

الحمد للہ، پہلی سہ ماہی کے نتائج گزشتہ سال کے مقابلے میں بہتری ہوئی ہے موجودہ مارکیٹ کے حالات کی وجہ سے اور پچھلے سہ ماہی کے لئے 17.50 ملین روپے کا نقصان زیر جائزہ مدت کے دوران کم ہو کر 6.53 ملین روپے ہوا ہے۔

(۱) گزشتہ سہ ماہی میں جمع شدہ خالص نقصان قبل از ٹیکس 17.50 ملین روپے کے نقصان سے اس سہ ماہی کے دوران کم ہو کر 6.53 ملین روپے ہوا ہے۔

(۲) گزشتہ سال کے پہلے تین مہینوں کے دوران جمع شدہ خالص نقصان قبل از ٹیکس 9.62 ملین سے کم ہو کر 6.53 ملین روپے ہوا ہے

ہمارے حصص داران کی سہولت کے لئے مندرجہ ذیل آپریٹنگ اور فنانشیل ڈیٹا ساتھ منسلک ہے۔

Annex - A گزشتہ سہ ماہی سے موازنہ (۱)

Annex - B گزشتہ سال کی اسی سہ ماہی سے موازنہ (ب)

### مستقبل کے مسائل

کمپنی کے مستقبل کے منافع کے بارے میں انتظامیہ زیادہ پرامید نہیں ہے

### ڈیویڈنڈ:

ڈائریکٹر نے فیصلہ ہے کہ حتمی فیصلہ تک کسی بھی طرح کے عبوری ڈیویڈنڈ کی ادائیگی کو روک دیا جائے۔

### اظہار تشکر

میں اپنے تمام اسٹاف و اراکین کا ان کی لگن اور وفاداری پر شکریہ ادا کرتا ہوں۔ کمپنی کی کامیابی اس کے ورکرز کی کوششوں کے بغیر ممکن نہیں ہے، میں امید رکھتا ہوں کہ آپ آئندہ آ نے والے سالوں میں بھی اسی لگن و جذبے کا مظاہرہ کریں گے

(محمد عرفان نواب)

کراچی: ۳۰ اکتوبر، ۲۰۱۷

**Comparison with previous quarter**
**Annexure A**

Covering period FROM TO	01-Jul-2017 30-Sep-2017	01-Apr-2017 30-Jun-2017	VARIATION	
			Amount	Percentage
Turnover - net	476.86	400.57	76.30	19.05%
Cost of Sales	(452.45)	394.96	(847.41)	-214.55%
Gross Profit	24.41	5.60	18.81	335.66%
G.P.Rate to Sales	5.12%	1.40%		3.72%
Administrative, Selling, Financial & Other expenses	31.45	27.54	3.91	-14.18%
Other income	0.50	4.44	(3.94)	-88.66%
Net Loss before taxation	(6.53)	(17.50)	10.96	-62.66%
N.P.Rate to Sales	-1.37%	-4.37%		
Provision for Taxation	24.50	15.68	8.82	56.23%
Profit after Taxation	17.97	(1.81)	19.78	-1091.46%
Earning per share (before tax)	(0.76)	(2.04)	1.28	-62.75%
Earning per share (after tax)	2.09	(0.21)	2.30	-1095.24%

**Comparison with corresponding quarter of last year**
**Annexure B**

Covering period FROM TO	01-Jul-2017 30-Sep-2017	01-Jul-2016 30-Sep-2016	VARIATION	
			Amount	Percentage
Sales - net	476.86	476.87	(0.01)	0.00%
Cost of Sales	(452.45)	470.88	(923.33)	-196.09%
Gross Profit	24.41	5.99	18.42	307.56%
G.P.Rate to Sales	5.12%	1.26%		3.86%
Administrative, Selling, Financial & Other expenses	31.45	23.66	7.79	32.90%
Other income	0.50	8.05	(7.55)	-93.74%
Net Loss before taxation	(6.53)	(9.62)	3.09	-32.11%
N.P.Rate to Sales	-1.37%	-2.02%		
Provision for Taxation	24.50	2.41	22.09	915.91%
Profit after Taxation	17.97	(7.21)	25.18	-349.25%
Earning per share (before tax) - reinstated	(0.76)	(1.12)	0.36	-32.14%
Earning per share (after tax) - reinstated	2.09	(0.84)	2.93	-348.81%

**SANA INDUSTRIES LIMITED**  
**INTERIM CONDENSED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2017 (UN-AUDITED)**

	NOTE	September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
		----- (Rupees) -----	
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Tangible fixed assets	4	491,555,882	505,354,011
Investment property		88,389,049	91,101,015
Long-term deposits		1,333,251	1,373,251
Investments	5	35,000,000	4,900,000
		616,278,182	602,728,277
<b>CURRENT ASSETS</b>			
Stock-in-trade	6	192,333,425	233,838,717
Trade debts- unsecured, considered good		167,877,615	141,585,443
Advances		34,374,823	32,090,488
Deposits and pre-payments		6,501,412	863,302
Other receivables		42,902,887	83,767,054
Taxation - net	7	49,653,949	50,279,109
Cash and bank balances		20,822,658	8,283,975
		514,466,769	550,708,088
<b>TOTAL ASSETS</b>		<b>1,130,744,951</b>	<b>1,153,436,364</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000	100,000,000
<b>Issued, subscribed and paid-up capital</b>			
8,593,750 (30-6-2015: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
<b>Reserves</b>		218,204,950	208,625,533
<b>Shareholder's equity</b>		304,142,450	292,563,033
<b>NON CURRENT LIABILITIES</b>			
Diminishing Mushareka	8	120,973,483	138,897,260
Deferred liabilities	9	10,496,291	40,487,147
		131,469,774	177,384,406
<b>CURRENT LIABILITIES</b>			
Trade and other payables		186,406,789	144,445,041
Accrued profit on Murabaha/Mushareka arrangements		9,116,172	9,421,753
Borrowings from Directors and family members		26,290,000	67,590,000
Current portion of long term mushareka arrangement	8	58,123,687	64,258,253
Murabaha Arrangements	10	415,196,079	397,773,877
Taxation - net	7	-	-
		695,132,727	683,488,926
<b>CONTINGENCIES AND COMMITMENTS</b>	11	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,130,744,951</b>	<b>1,153,436,364</b>

The annexed notes from 1 to 16 form an integral part of these financial statements.

(Mohammed Irfan Nawab)  
Chief Executive

(Mohammed Younus Nawab)  
Chairman

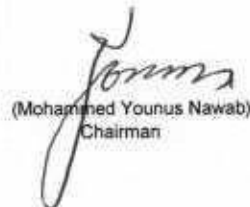
(Abdul Hussain Antaria)  
Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)**

		September 30, 2017	September 30, 2016
		----- Rupees -----	
Net turnover		406,372,441	476,874,449
Cost of sales	12	(401,408,477)	(470,884,120)
Gross profit		4,963,964	5,990,329
Selling and distribution expenses		(2,915,048)	(3,042,248)
Administrative expenses		(12,252,194)	(9,242,061)
Other operating expenses		(129,600)	(284,508)
Other operating income / (loss)		10,343,265	8,052,683
Operating profit		10,387	1,474,195
Finance cost		(13,087,655)	(11,095,983)
Profit for the period before taxation		(13,077,268)	(9,621,788)
Provision for taxation		(4,883,076)	-
- current		29,539,761	2,411,932
- deferred (current)		24,656,685	2,411,932
Profit after taxation		11,579,417	(7,209,856)
Earning per share - Basic and Diluted - restated	13	1.35	(0.84)

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
(Mohammed Irfan Nawab)  
Chief Executive

  
(Mohammed Younus Nawab)  
Chairman

  
(Abdul Hussain Antaria)  
Chief Financial Officer



**SANA INDUSTRIES LIMITED**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)**

	September 30, 2017	September 30, 2016
	Rupees	
Net profit for the period	11,579,417	(7,209,856)
Other comprehensive income	-	-
	11,579,417	(7,209,856)

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
(Mohammed Irfan Nawab)  
Chief Executive

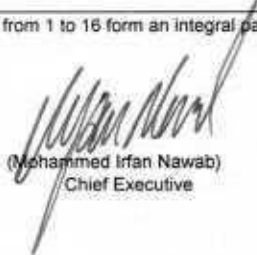
  
(Mohammed Younus Nawab)  
Chairman


  
(Abdul Hussain Antaria)  
Chief Financial Officer


**SANA INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total
		General reserve	Un- appropriated profit	Sub Total	
Balance as at July 01, 2016	85,937,500	132,500,000	139,538,023	272,038,023	357,975,523
Profit after taxation for the first quarter ended September 30, 2016	-	-	(7,209,856)	(7,209,856)	(7,209,856)
Final dividend for the year ended June 30, 2016	-	-	-	-	-
Balance as at September 30, 2016	85,937,500	132,500,000	132,328,167	264,828,167	350,765,667
Balance as at July 01, 2017	85,937,500	132,500,000	74,125,533	206,625,533	292,563,033
Profit after taxation for the first quarter ended September 30, 2017	-	-	11,579,417	11,579,417	11,579,417
Final dividend for the year ended June 30, 2017	-	-	-	-	-
Balance as at September 30, 2017	85,937,500	132,500,000	85,704,950	218,204,950	304,142,450

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
(Mohammed Irfan Nawab)  
Chief Executive

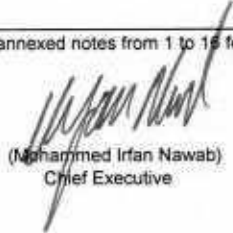
  
(Mohammed Younus Nawab)  
Chairman


  
(Abdul Hussain Antaria)  
Chief Financial Officer


**SANA INDUSTRIES LIMITED**  
**INTERIM CONDENSED CASH FLOW STATEMENT**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)**

	Note	September 30, 2017	September 30, 2016
----- Rupees -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit/(loss) before taxation		(13,077,268)	(9,621,788)
Add/(Less): Adjustments for:			
Depreciation		19,734,013	18,325,738
Loss/(Gain) on disposal of fixed assets		(495,410)	(7,900,000)
Profit on PLS account		(32,228)	(152,683)
Workers' welfare fund		-	-
Finance cost		13,087,655	11,095,983
Cash provided by operating activities before working capital changes		19,216,762	11,747,250
(Increase)/decrease in current assets	14	48,154,842	(64,398,292)
Increase/(decrease) in current liabilities	14	42,161,127	25,473,835
		109,532,731	(27,177,207)
Finance cost		(13,393,236)	(10,107,541)
Staff benefits		(451,095)	(623,269)
Long term Deposit		40,000	(160,000)
Taxes paid		(4,364,472)	(7,994,980)
Net cash inflow from operating activities		91,363,928	(46,062,997)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(3,316,742)	(27,436,578)
Profits received on bank accounts		32,228	152,679
Investment		(30,100,000)	-
Proceeds from sale of fixed assets		495,410	40,000,000
Net cash used in investing activities		(32,889,104)	12,716,101
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts / (Re-payment) of Morabaha arrangement		17,422,202	304,645
Receipts / (Re-payment) of Diminishing Mushareqa		(22,058,343)	9,737,735
Loan re-payment to related parties		(41,300,000)	(2,850,000)
Dividends paid		-	-
Net cash inflow from/(used in) financing activities		(45,936,141)	7,092,380
Net (decrease)/increase in cash and cash equivalents		12,538,682	(26,254,516)
Cash and cash equivalents at beginning of the period		8,283,975	40,059,805
Cash and cash equivalents at end of the period		20,822,658	13,805,289

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

  
(Mohammed Irfan Nawab)  
Chief Executive

  
(Mohammed Younus Nawab)  
Chairman

  
(Abdul Hussain Antaria)  
Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)**

**1. NATURE OF BUSINESS**

The Company was incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984. The shares of the Company are quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The Company is principally engaged in the manufacturing and sale of man-made blended yarn at Hub Industrial Trading Estate, Hub Chowki, and a "compartmentalized cold store" located at Karachi. The registered office of the Company is located at 32-D-2, block -6, P.E.C.H.S Karachi, Pakistan.

**2. BASIS FOR PREPARATION OF THE ACCOUNTS**

These financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2017.

Expenses are shared amongst the segments on the basis of allocation methods as deemed appropriate by the management.

	September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
	----- (Rupees) -----	
<b>4. TANGIBLE FIXED ASSETS</b>		
Net book value (NBV) at the beginning of the period	505,015,757	495,181,253
Add: Additions to tangible fixed assets	4.1 3,316,742	295,517,303
Less: Disposals during the period (NBV)	92,825	217,002,804
Depreciation charged during the period	17,022,047	68,679,996
	17,114,872	285,682,799
Net book value (NBV) at the closing of the period	491,217,628	505,015,757
Capital work-in-progress	338,254	338,254
	491,555,882	505,354,011
	-----	-----
<b>4.1 ADDITIONS</b>		
Land and Building on leasehold land	1,129,500	32,700,517.20
Office premises - SF/96	-	-
Plant and machinery	1,965,800	239,753,059
Electrification - Factory building	-	2,445,951
Handling equipments	-	16,895,670
Furniture, fixtures and office equipments	221,442	639,862
Vehicles	-	2,853,746
Computers	-	228,298
Plastic Crates	-	-
	3,316,742	295,517,303
	-----	-----

**5. INVESTMENTS**

Investment of Rs. 35 million represents equity investment in new formed company SANA LOGISTICS (Pvt.) Ltd.

	September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
	----- (Rupees) -----	
<b>6. STOCK-IN-TRADE</b>		
Raw and packing material		
- in hand	63,724,731	48,244,279
- in transit	-	-
	63,724,731	48,244,279
Work-in-process	12,383,511	18,506,109
Finished goods	115,805,273	168,420,018
Waste stock	419,910	668,310
	192,333,425	233,838,716
	-----	-----

<b>7. TAXATION - NET</b>			
Advance income tax		36,565,936	32,308,020
Provision for Taxation		(4,883,076)	-
Income Tax Refundable		17,319,743	17,971,089
		<u>49,002,603</u>	<u>50,279,109</u>
<b>8. NON CURRENT LIABILITY - secured</b>			
Diminishing Mushreka from a commercial bank		201,155,513	54,164,373
Add: Fresh borrowings (net of repayments)		(22,058,343)	146,991,140
		<u>179,097,170</u>	<u>201,155,513</u>
Less: Current portion		(58,123,687)	(64,258,253)
		<u>120,973,483</u>	<u>136,897,260</u>
<b>9. DEFERRED LIABILITIES</b>			
Provision for compensated absences	9.1	1,140,832	1,591,927
Deferred taxation	9.2	(13,859,368)	15,680,393
Staff retirement benefits	9.3	23,214,827	23,214,827
		<u>10,496,291</u>	<u>40,487,147</u>
<b>9.1 Provision for compensated absences</b>			
Balance at beginning of the year		1,591,927	1,386,068
Charge for the year		-	918,932
Benefits paid during the year		(451,095)	(713,073)
		<u>1,140,832</u>	<u>1,591,927</u>
<b>9.2 Deferred taxation</b>			
Deferred tax (asset) / liability on account of:			
- accelerated depreciation		20,001,172	49,540,933
-unused tax losses and credits		(29,034,853)	(29,034,853)
Remeasurement of defined benefit plans - O.C.I component		(4,825,687)	(4,825,687)
		<u>(13,859,368)</u>	<u>15,680,393</u>
<b>9.3 Staff retirement benefits</b>			
<b>Balance sheet Reconciliation</b>			
Present value of defined benefit obligation		(97,912,461)	(97,912,461)
Fair value of plan assets		74,697,634	74,697,634
		<u>(23,214,827)</u>	<u>(23,214,827)</u>
<b>10. SHORT-TERM MURABAHA ARRANGEMENT - secured</b>			
From commercial banks		415,196,079	397,773,877
		<u>415,196,079</u>	<u>397,773,877</u>
<b>11. CONTINGENCIES AND COMMITMENTS</b>			
<b>11.1 Contingencies</b>			
There were no major changes in the contingencies as reported in the financial statements for the year ended June 30, 2017.			
<b>11.2 Commitments</b>			
Custom duty and income tax on stock in transit		-	164,199
		<u>-</u>	<u>164,199</u>
Capital expenditure		-	-
		<u>-</u>	<u>-</u>
Irrevocable letter of credits		66,289,460	105,348,897
		<u>66,289,460</u>	<u>105,348,897</u>

	September 30, 2017	September 30, 2016
	----- Rupees -----	
<b>12 COST OF SALES</b>		
Opening stock finished goods and waste	169,088,328	119,279,393
Cost of goods manufactured	348,545,332	388,885,716
Closing stock finished goods and waste:	(116,225,183)	(97,500,420)
	<u>401,408,477</u>	<u>410,664,689</u>
<b>13 EARNING PER SHARE - BASIC AND DILUTED</b>		
Profit after taxation	Rupees: 11,579,417	(7,209,856)
Issued ordinary shares - restated for the effect of bonus shares	8,593,750	8,593,750
Basic and diluted earnings per share	Rupees: <u>1.35</u>	<u>(0.84)</u>
<b>14 WORKING CAPITAL CHANGES</b>		
<b>Decrease/(Increase) in current assets</b>		
Stock-in-trade	41,505,292	35,334,739
Trade debts	(28,697,500)	(78,366,966)
Advances	(2,284,335)	(9,978,984)
Deposits and pre-payments	(5,638,110)	(6,257,567)
Other receivables	43,269,495	(5,129,514)
	<u>48,154,842</u>	<u>(64,398,292)</u>
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	<u>42,161,127</u>	<u>25,473,835</u>

**15. 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:

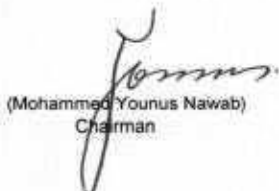
Relationship	Nature of transaction		
Staff retirement benefit plans	Contribution to gratuity fund		-
Key management personnel	Remuneration and benefits:	5,406,432	4,839,453
Broowings from Directors and family member		51,700,000	7,650,000
Repayment of broowings from Directors and family member		93,000,000	12,355,000
Rent paid to director's family members		-	1,755,000
Receivable from Sana Logistics Pvt Ltd ( Subsidiary)		10,422,815	-
Loan from Associated Companies		-	9,900,000

**16. GENERAL**

16.1 These financial statements were authorised for issue by the Board of Directors on 30th October, 2017.

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

  
(Mohammed Irfan Nawab)  
Chief Executive

  
(Mohammed Younus Nawab)  
Chairman

  
(Asad Hussain Antaria)  
Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT 30 SEPTEMBER 2017 (UN-AUDITED)**

	NOTE	September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
		----- (Rupees) -----	
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Tangible fixed assets	4	611,669,532	628,166,481
Long-term deposits		3,125,751	3,165,751
		614,795,283	632,332,232
<b>CURRENT ASSETS</b>			
Stock-in-trade	5	192,333,425	233,838,716
Trade debts- unsecured, considered good		232,803,477	208,298,549
Advances		34,846,583	32,090,488
Deposits and pre-payments		6,562,178	2,273,945
Other receivables		27,069,416	27,748,965
Taxation - net	6	53,858,776	49,997,350
Cash and bank balances		27,299,589	9,018,917
		574,773,444	563,286,930
<b>TOTAL ASSETS</b>		<b>1,189,568,727</b>	<b>1,195,599,162</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000	100,000,000
<b>Issued, subscribed and paid-up capital</b>			
8,593,750 (30-6-2015: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
<b>Reserves</b>		214,746,712	199,215,945
Equity attributable to the shareholders of holding company		300,684,212	285,153,445
Non controlling interest	7	16,170,823	3,830,797
<b>Total equity</b>		316,855,035	288,984,242
<b>NON CURRENT LIABILITIES</b>			
Diminishing Mushareka	8	120,973,483	136,897,280
Deferred taxation	9	10,565,429	42,284,526
		131,538,912	179,181,786
<b>CURRENT LIABILITIES</b>			
Trade and other payables		198,898,842	155,289,251
Accrued profit on Murabaha/Mushareka arrangements		9,116,172	9,421,754
Borrowings from Directors and family members		59,840,000	100,890,000
Current portion of long term mushareka arrangement	8	58,123,687	64,258,253
Murabaha Arrangements	10	415,196,079	397,773,877
Taxation - net	6	-	-
		741,174,780	727,433,135
<b>CONTINGENCIES AND COMMITMENTS</b>	11	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,189,568,727</b>	<b>1,195,599,162</b>

The annexed notes from 1 to 16 form an integral part of these financial statements.

(Mohammed Irfan Nawab)  
Chief Executive


(Mohammed Yunus Nawab)  
Chairman


(Abdul Hussain Antaria)  
Chief Financial Officer

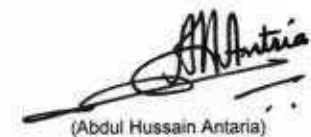
**SANA INDUSTRIES LIMITED**  
**CONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS ACCOUNT**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)**

		September 30, 2017	September 30, 2016
----- Rupees -----			
Net turnover		476,863,876	476,874,449
Cost of sales	13	(452,449,403)	(470,884,120)
Gross profit		24,414,473	5,990,329
Selling and distribution expenses		(4,352,604)	(3,042,248)
Administrative expenses		(13,746,808)	(9,242,061)
Other operating expenses		(263,170)	(284,508)
Other operating income / (loss)		503,743	8,063,429
Operating profit		6,555,634	1,484,941
Finance cost		(13,087,994)	(11,085,983)
Loss for the period before taxation		(6,532,360)	(9,611,042)
Provision for taxation		(6,764,849)	-
- current		31,268,002	2,411,932
- deferred (current)		24,503,153	2,411,932
Profit after taxation		17,970,793	(7,199,110)
Earning per share - Basic and Diluted - restated	14	2.09	(0.84)

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
(Mohammed Irfan Nawab)  
Chief Executive

  
(Mohammed Younus Nawab)  
Chairman

  
(Abdul Hussain Antaria)  
Chief Financial Officer



**SANA INDUSTRIES LIMITED**  
**CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)**

	September 30, 2017	September 30, 2016
	----- Rupees -----	
Net profit for the period	17,970,793	(7,199,110)
Other comprehensive income	-	-
Total comprehensive income for the period	17,970,793	(7,199,110)
Attributable to		
Owners Equity	15,530,767	(7,204,590)
Non-controlling interest	2,440,026	5,480,47
	17,970,793	(7,199,110)

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
(Mohammed Irfan Nawab)  
Chief Executive

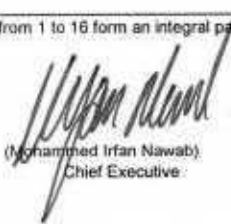
  
(Mohammed Younus Nawab)  
Chairman

  
(Abdul Hussain Antaria)  
Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

	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, 2016	85,937,500	132,500,000	139,529,318	272,029,318	357,966,818	5,081,148
Profit after taxation for the first quarter ended September 30, 2015	-	-	(7,204,590)	(7,204,590)	(7,204,590)	-
Final dividend for the year ended June 30, 2015	-	-	-	-	-	-
Non-controlling interest arising on a business combination	-	-	-	-	-	5,480
Total comprehensive income for the period						
Balance as at September 30, 2016	85,937,500	132,500,000	132,324,728	264,824,728	350,762,228	5,086,628
Balance as at July 01, 2017	85,937,500	132,500,000	86,715,945	199,215,945	285,153,445	3,830,797
Profit after taxation for the first quarter ended September 30, 2017	-	-	15,530,767	15,530,767	15,530,767	-
Final dividend for the year ended June 30, 2016	-	-	-	-	-	-
Acquisition in business investment	-	-	9,900,000	-	-	9,900,000
Non-controlling interest arising on a business combination	-	-	-	-	-	2,440,026
Balance as at September 30, 2017	85,937,500	132,500,000	92,146,712	214,746,712	300,684,212	16,170,823

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
(Mohammed Irfan Nawab)  
Chief Executive

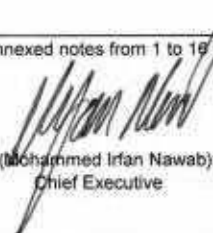
  
(Mohammed Younus Nawab)  
Chairman

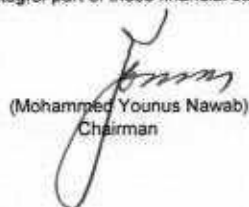
  
Abdul Hussain Antaria  
Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)**

	Note	September 30, 2017	September 30, 2016
		----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit/(loss) before taxation		(6,532,360)	(9,611,042)
Add/(Less): Adjustments for:			
Depreciation		20,937,929	18,325,738
Loss/(Gain) on disposal of fixed assets		(495,410)	(7,900,000)
Profit on PLS account		(52,706)	(152,683)
Provision for Staff benefit		-	-
Finance cost		13,087,994	11,095,983
		-----	-----
Cash provided by operating activities before working capital changes		26,945,447	11,757,996
		-----	-----
(Increase)/decrease in current assets	14	53,225,531	(64,491,127)
Increase/(decrease) in current liabilities	14	1,219,024	25,473,835
		-----	-----
		81,390,002	(27,259,296)
		-----	-----
Finance cost		(13,393,575)	(10,107,541)
Staff benefits		(451,095)	(623,269)
Long term Deposit		40,000	(160,000)
Taxes paid		(9,832,831)	(7,995,214)
		-----	-----
Net cash inflow from operating activities		57,752,501	(46,145,320)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(3,533,804)	(27,336,578)
Profits received on bank accounts		52,706	152,679
Acquisition of Business		9,900,000	-
Proceeds from sale of fixed assets		495,410	40,000,000
Net cash used in investing activities		6,914,312	12,816,101
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issued, subscribed and paid up capital		40,000,000	304,645
Receipts / (Re-payment) of Morabaha arrangement		17,422,202	-
Receipts / (Re-payment) of Diminishing Mushareqa		(22,058,343)	9,737,735
Loan re-payment to related parties		(41,750,000)	(2,950,000)
Dividends paid		-	-
Net cash inflow from/(used in) financing activities		(46,386,141)	7,092,380
		-----	-----
Net (decrease)/increase in cash and cash equivalents		18,280,672	(26,236,839)
Cash and cash equivalents at beginning of the period		9,018,917	40,065,539
		-----	-----
Cash and cash equivalents at end of the period		27,299,589	13,828,700
		=====	=====

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
(Mohammed Irfan Nawab)  
Chief Executive

  
(Mohammed Younus Nawab)  
Chairman

  
(Abdul Hussain Antaria)  
Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017 (UN-AUDITED)**

**1. THE GROUP AND ITS OPERATIONS**

The group consist of Sana Industries Ltd. ("The Holding Company") and its subsidiary company Sana Logistics Pvt Ltd. Brief profile of Holding company and Subsidiary Company are as follows;

**Sana Industries Limited (The Holding Company)**

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

- i) manufacturing and sale of man-made blended yarn;
- ii) providing services in respect of cold storage through "compartmentalized cold store project";
- iii) commercial trading of food products and other allied items.

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

**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.

**2. BASIS FOR PREPARATION OF THE ACCOUNTS**

These financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2017.

Expenses are shared amongst the segments on the basis of allocation methods as deemed appropriate by the management.

**4. TANGIBLE FIXED ASSETS**

	September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
	----- (Rupees) -----	
Net book value (NBV) at the beginning of the period	628,328,927	495,181,253
Add: Additions to tangible fixed assets	4.1 3,533,804	299,079,288
Less: Disposals during the period (NBV)	92,825	94,431,573
Depreciation charged during the period	20,937,929	71,500,041
	21,030,754	165,931,614
Net book value (NBV) at the closing of the period	610,831,978	628,328,927
Capital work-in-progress	837,554	837,554
	611,669,532	629,166,481
<b>4.1 ADDITIONS</b>		
Land and Building on leasehold land	1,129,500	32,700,517.20
Office premises - SF/96	-	-
Plant and machinery	1,965,800	239,753,059
Electrification - Factory building	-	2,445,951
Handling equipments	-	19,965,468
Furniture, fixtures and office equipments	221,442	1,043,967
Vehicles	-	2,853,746
Computers	217,062	316,580
Plastic Crates	-	-
	3,533,804	299,079,288

	September 30, 2017 (Un-audited)	June 30, 2017 (Audited)
	----- (Rupees) -----	
<b>5. STOCK-IN-TRADE</b>		
Raw and packing material		
- in hand	63,724,731	48,244,279
- in transit	-	-
	<u>63,724,731</u>	<u>48,244,279</u>
Work-in-process	12,383,511	16,506,109
Finished goods	115,805,273	168,420,018
Waste stock	419,910	668,310
	<u>192,333,425</u>	<u>233,838,716</u>
<b>6. TAXATION - NET</b>		
Advance income tax	42,580,800	32,379,756
Provision for Taxation	(6,764,849)	(15,786,603)
Income Tax Refundable	18,042,825	17,971,089
	<u>53,858,776</u>	<u>34,564,242</u>
<b>7. INVESTMENTS</b>		
Net Assets (100%)	113,442,077	109,552,804
Non-Controlling Interest (30%)	(15,000,000)	(5,100,000)
	<u>98,442,077</u>	<u>104,452,804</u>
<b>Non-Controlling Interest</b>		
Share of NCI (opening)	3,830,797	5,081,148
Addition during the period	9,900,000	-
Share in Profit / (Loss)	2,440,026	(1,250,351)
	<u>16,170,823</u>	<u>3,830,797</u>
<b>8. NON CURRENT LIABILITY - secured</b>		
Diminishing Mushreka from a commercial bank	201,155,513	54,164,373
Add: Fresh borrowings (net of repayments)	(22,058,343)	146,991,140
	<u>179,097,170</u>	<u>201,155,513</u>
Less: Current portion	(58,123,687)	(64,258,253)
	<u>120,973,483</u>	<u>136,897,260</u>
<b>9 DEFERRED LIABILITIES</b>		
Provision for compensated absences	9.1 1,140,832	1,591,927
Deferred taxation	9.2 (13,790,230)	17,477,772
Staff retirement benefits	9.3 23,214,827	23,214,827
	<u>10,565,429</u>	<u>42,284,526</u>

<b>9.1 Provision for compensated absences</b>		
Balance at beginning of the year	1,591,927	1,386,068
Charge for the year	-	918,932
Benefits paid during the year	(451,095)	(713,073)
	<u>1,140,832</u>	<u>1,591,927</u>
<b>9.2 Deferred taxation</b>		
Deferred tax (asset) / liability on account of:		
- accelerated depreciation	20,070,310	51,338,312
- unused tax losses and credits	(29,034,853)	(29,034,853)
Remeasurement of defined benefit plans - O.C.I component	(4,825,687)	(4,825,687)
	<u>(13,790,230)</u>	<u>17,477,772</u>
<b>9.3 Staff retirement benefits</b>		
<b>Balance sheet Reconciliation</b>		
Present value of defined benefit obligation	(97,912,461)	(97,912,461)
Fair value of plan assets	74,697,634	74,697,634
	<u>(23,214,827)</u>	<u>(23,214,827)</u>
<b>10 SHORT-TERM MURABAHA ARRANGEMENT - secured</b>		
From commercial banks	415,196,079	397,773,877
	<u>415,196,079</u>	<u>397,773,877</u>
<b>11. CONTINGENCIES AND COMMITMENTS</b>		
<b>11.1 Contingencies</b>		
There were no major changes in the contingencies as reported in the financial statements for the year ended June 30, 2017.		
<b>11.2 Commitments</b>		
Custom duty and income tax on stock in transit	-	164,199
	<u>-</u>	<u>164,199</u>
Capital expenditure	-	-
	<u>-</u>	<u>-</u>
Irrevocable letter of credits	66,289,460	105,346,897
	<u>66,289,460</u>	<u>105,346,897</u>
	<b>September 30,</b>	<b>September 30,</b>
	<b>2017</b>	<b>2016</b>
	<b>----- Rupees -----</b>	
<b>12. COST OF SALES</b>		
Opening stock finished goods and waste	169,088,328	119,279,393
Cost of goods manufactured	399,586,258	388,885,716
Closing stock finished goods and waste	(116,225,183)	(97,500,420)
	<u>452,449,403</u>	<u>410,664,689</u>
<b>13. EARNING PER SHARE - BASIC AND DILUTED</b>		
Profit after taxation	Rupees 17,970,793	(7,199,110)
Issued ordinary shares - restated for the effect of bonus shares	8,593,750	8,593,750
Basic and diluted earnings per share	Rupees <u>2.09</u>	<u>(0.84)</u>

**14. WORKING CAPITAL CHANGES**

**Decrease/(Increase) in current assets:**

Stock-in-trade	41,505,292	35,334,739
Trade debts	(28,697,500)	(78,366,966)
Advances	(2,284,335)	(8,978,984)
Deposits and pre-payments	(5,638,110)	(6,257,567)
Other receivables	43,269,495	(5,129,514)
	<u>48,154,842</u>	<u>(64,398,292)</u>

**Increase/(decrease) in current liabilities**

Trade and other payables	42,161,127	25,473,835
	<u>42,161,127</u>	<u>25,473,835</u>

**15. 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:

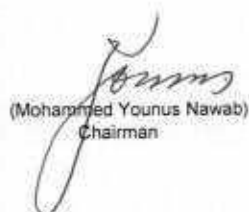
Relationship	Nature of transaction		
Staff retirement benefit plans	Contribution to gratuity fund	-	-
Key management personnel	Remuneration and benefits	8,706,432	4,839,453
	Broodings from Directors and family member	70,000,000	33,910,000
	Repayment of broodings from Directors and family member	110,850,000	12,355,000
	Rent paid to director's family members	-	1,755,000
	Receivable from Sana Logistics Pvt Ltd ( Subsidiary)	10,422,815	-
	Loan from Associated Companies	-	9,900,000
		<u>-</u>	<u>9,900,000</u>

**16. GENERAL**

16.1 These financial statements were authorised for issue by the Board of Directors on 30th October, 2017.

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

  
(Mohammed Irfan Nawab)  
Chief Executive

  
(Mohammed Younus Nawab)  
Chairman

  
(Abdul Hussain Antaria)  
Chief Financial Officer