



Quarterly
Accounts
(UN-AUDITED)
As at 31st March, 2019
(3rd Quarter)

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

CONTENTS

Company Information	2
Directors' Report along with annexures	3
Condensed Interim Unconsolidated Balance Sheet	8
Condensed Interim Unconsolidated Profit and Loss account	9
Condensed Interim Unconsolidated Statement of Comprehensive Income	10
Condensed Interim Unconsolidated Cash Flow Statement	11
Condensed Interim Unconsolidated Changes in Equity	12
Notes to the Condensed Interim Unconsolidated Financial Information	13
Condensed Interim Consolidated Balance Sheet	17
Condensed Interim Consolidated Profit and Loss account	18
Condensed Interim Consolidated Statement of Comprehensive Income	19
Condensed Interim Consolidated Cash Flow Statement	20
Condensed Interim Consolidated Changes in Equity	21
Notes to the Condensed Interim Consolidated Financial Information	22

COMPANY INFORMATION

Board of Directors

Mr.Mohammed Younus Nawab	- Chairman
Mr.Ibrahim Younus	- Director
Mr.Ismail Younus	- Director
Mr.Mohammed Faizanullah	- Director
Mr.Muhammad Ashfaq	- Director
Mr.Mohammed Khalid Yousuf	- Director
Hafiz Mohammed Irfan Nawab	- Chief Executive

Audit Committee

Mr.Mohammed Khalid Yousuf	- Chairman
Mr.Muhammad Ashfaq	- Member
Mr.Abdul Hameed	- Member
Mr.Mohammed Faizanullah	- Member

and Secretary

Registered Office

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

Auditors

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

Bankers

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

H.R. & Remuneration Committee

Mr.Mohammed Khalid Yousuf	- Chairman
Mr.Muhammad Ashfaq	- Member
Mr.Ibrahim Younus	- Member

C.F.O./Company Secretary

Mr.Abdul Hussain Antaria

Mills

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

Legal Advisors

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

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 Three Quarter ended 31st March, 2019, 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 Third quarter are almost consistent with the previous two quarters. As compared to the corresponding period of last year, the Net loss before tax of Rs.2.80 million has been converted into a net profit of Rs.86.50 million, During the period under review,

- (a) the 'consolidated' Net Profit, before tax, has increased from a profit of Rs.23.97 million, in the previous quarter to a profit of Rs.32.06 million, in the current quarter.
- (b) the 'consolidated' Net Loss, before tax, during the corresponding nine months period of last year, amounting to Rs.2.80 million has been converted to a net profit of Rs.86.50 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 |
| (c) Comparison with corresponding nine months period | Annex-C |
| (d) Comparison of Balance Sheet of the last three quarters | Annex-D |
| (e) Comparison of P&L Account of the last three quarters | Annex-E |

FUTURE PROSPECTS

The Management has a neutral view of the future profitability of the Company, but the market conditions seem to be improving.

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: 29th April, 2019.

(Mohammed Irfan Nawab)
Chief Executive.

ڈائریکٹرز رپورٹ

سیکورٹیز ریگولیشنز اینڈ ایگزیکٹو کمیشن آف پاکستان کے سرکلر نمبر ۲ (۵۲) سی ای برائے ۲۰۰۱ء بتاریخ ۰۵/۱۱/۲۰۰۱ء کے مطابق ۳۱ مارچ ۲۰۱۹ء کو ختم ہونے والی تیسری سہ ماہی کے لئے ڈائریکٹرز ریویوشدہ اکاؤنٹس جمع کرنے میں خوشی رکھتے ہیں۔

الحمد للہ پہلی تیسری سہ ماہی کے نتائج گزشتہ دو سہ ماہی کے لگ بھگ برابر ہی ہیں اور گزشتہ سال کی تیسری سہ ماہی میں جمع شدہ خالص نقصان قبل از ٹیکس 2.80 ملین روپے مقابلے میں اس سہ ماہی میں قبل از ٹیکس منافع 86.50 روپے ہوا ہے۔

(۱) اس سال کے دوسری سہ ماہی کے دوران قبل از ٹیکس منافع 23.97 ملین سے بڑھ کر اس سہ ماہی میں 32.06 ملین روپے ہوا ہے۔

(۲) گزشتہ سال کے نومبر میں جمع شدہ خالص نقصان قبل از ٹیکس 2.80 ملین روپے سے بڑھ کر 86.50 ملین روپے ہوا ہے۔

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

Annex-A	(۱) گزشتہ سہ ماہی سے موازنہ:
Annex-B	(ب) گزشتہ سال کی اسی سہ ماہی سے موازنہ
Annex-C	(پ) گزشتہ سال کی اسی ششماہی سے موازنہ
Annex-D	(ت) بیلنس شیٹ کا بہ لحاظ سہ ماہی سے موازنہ
Annex-E	(ث) نفع و نقصان کھاتہ جات کا بہ لحاظ سہ ماہی موازنہ

مستقبل کے امکان :

کمپنی کے مستقبل کے منافع کے بارے میں کچھ یقین سے نہیں کہا جاسکتا لیکن موجودہ مارکیٹ کے حالات اچھے ہوتے نظر آ رہے ہیں۔

ڈیوڈنڈ:

ڈائریکٹرز نے فیصلہ کیا ہے کہ حتمی فیصلہ تک کسی بھی طرح کے عبوری ڈیوڈنڈ 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 آنے والے سالوں میں بھی اسی لگن و جذبے کا مظاہرہ کریں گے۔

(محمد عرفان نواب)

چیف ایگزیکٹو

کراچی: ۲۹ مارچ ۲۰۱۹ء

Comparison with previous quarter

Annexure A

Covering period FROM TO	01-Jan-2019 31-Mar-2019	01-Oct-2018 31-Dec-2018	VARIATION	
			Amount	Percentage
Turnover - net	606.68	541.42	65.25	12.05%
Cost of Sales	534.71	465.72	68.99	14.81%
Gross Profit	71.97	75.71	(3.74)	-4.94%
G.P. Rate to Sales	11.86%	13.98%		-2.12%
Administrative, Selling, Financial & Other expenses	39.97	51.95	(11.98)	-23.07%
Other income	0.06	0.22	(0.16)	-72.48%
Net Profit before taxation	32.06	23.07	8.09	33.75%
N.P. Rate to Sales	5.28%	4.43%		
Provision for Taxation	6.18	9.40	(3.22)	-34.21%
Profit after Taxation	25.88	14.57	11.31	77.61%
Attributable to:				
- Shareholders of the Holding Company	21.04	13.53	7.51	55.52%
- Non - controlling interest	4.83	1.04	3.80	365.34%
	25.88	14.57		
Earning per share (before tax)	3.73	2.79	0.94	33.69%
Earning per share (after tax)	3.01	1.70	1.31	77.06%

Comparison with corresponding quarter of last year

Annexure B

Covering period FROM TO	01-Jan-2019 31-Mar-2019	01-Jan-2018 31-Mar-2018	VARIATION	
			Amount	Percentage
Turnover - net	606.68	490.61	116.07	23.66%
Cost of Sales	534.71	460.26	74.45	16.17%
Gross Profit	71.97	30.35	41.62	137.14%
G.P. Rate to Sales	11.86%	6.19%		
Administrative, Selling, Financial & Other expenses	39.97	30.77	9.20	29.90%
Other income	0.06	0.05	0.01	19.05%
Net Profit before taxation	32.06	(0.37)	32.43	-8765.23%
N.P. Rate to Sales	5.28%	-0.09%		
Provision for Taxation	6.18	(2.10)	8.28	-394.52%
Profit / (Loss) after Taxation	25.88	1.73	24.15	1395.75%
Attributable to:				
- Shareholders of the Holding Company	21.04	(2.36)	23.40	-991.80%
- Non - controlling interest	4.83	4.09	0.74	18.18%
	25.88	1.73		
Earning per share (before tax)	3.73	(0.04)	3.77	-9425.00%
Earning / (Loss) per share (after tax)	3.01	0.20	2.81	1405.00%

Comparison with corresponding nine months of last year

Annexure C

Covering period FROM TO	01-Jul-2018 31-Mar-2019	01-Jul-2017 31-Mar-2018	VARIATION	
			Amount	Percentage
Turnover - net	1,741.00	1,504.42	236.58	15.73%
Cost of Sales	1,529.27	1,414.77	114.50	8.09%
Gross Profit	211.73	89.65	122.08	136.17%
G.P. Rate to Sales	12.16%	5.96%		
Administrative, Selling, Financial & Other expenses	129.66	93.10	36.57	39.28%
Other income	4.43	0.65	3.78	584.90%
Net Profit / (Loss) before taxation	86.50	(2.80)	89.30	-3194.48%
N.P. / (Loss) Rate to Sales	4.97%	-0.19%		
Provision for Taxation	21.69	2.62	19.07	727.55%
Profit / (Loss) after Taxation	64.81	(5.42)	70.23	-1296.66%
Attributable to:				
- Shareholders of the Holding Company	56.42	(17.76)	74.18	-417.71%
- Non - controlling interest	8.39	12.34	(3.95)	-31.99%
	64.81	(5.42)		
Earning / (Loss) per share (before tax)	10.07	(0.33)	10.40	-3151.52%
Earning / (Loss) per share (after tax)	7.54	(0.63)	8.17	-1296.83%

COMPARISON OF BALANCE SHEET OF THREE QUARTERS

	1ST QUARTER 30-Sep-2018 Rupees	2ND QUARTER 31-Dec-2018 Rupees	3RD QUARTER 31-Mar-2019 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant and equipments	654,250,416	655,908,719	649,191,499
Long-term deposits	6,403,551	6,403,551	6,403,551
	<u>660,653,967</u>	<u>662,312,270</u>	<u>655,595,050</u>
CURRENT ASSETS			
Stock-in-trade	150,049,715	216,472,125	204,114,453
Short term investment	-	1,705,555	1,705,555
Trade debts- unsecured, considered good	371,944,095	290,681,530	337,449,580
Advances	19,301,566	17,187,863	16,178,968
Deposits and pre-payments	6,335,455	4,976,440	3,690,954
Other receivables	38,674,350	40,337,945	45,480,425
Taxation - net	66,314,527	68,641,493	73,946,866
Cash and bank balances	16,397,257	7,818,160	21,699,366
	<u>669,016,965</u>	<u>647,821,111</u>	<u>704,266,167</u>
TOTAL ASSETS	<u><u>1,329,670,933</u></u>	<u><u>1,310,133,381</u></u>	<u><u>1,359,861,216</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital	85,937,500	85,937,500	85,937,500
Reserves	269,618,111	265,960,832	287,003,044
	<u>355,555,611</u>	<u>351,898,332</u>	<u>372,940,544</u>
Attributable to equity holders of the parent	29,992,607	31,031,489	35,865,778
Non-controlling interest	<u>385,548,218</u>	<u>382,929,821</u>	<u>408,806,322</u>
NON CURRENT LIABILITIES			
Diminishing Mushareqa	123,761,773	112,067,887	95,607,169
Long term Liabilities	33,484,836	21,727,498	25,630,490
Deffered Liabilities	40,209,973	50,006,139	48,410,373
	<u>197,456,582</u>	<u>183,801,524</u>	<u>169,648,033</u>
CURRENT LIABILITIES			
Trade and other payables	156,012,309	158,271,502	183,282,303
Finance cost Payable	9,494,872	9,303,669	11,312,883
Borrowings from Directors and related parties	72,385,000	86,135,000	75,585,000
Current portion of diminishing mushreqa arrangements	52,943,358	50,583,787	52,349,370
Current portion of long term liability	17,039,862	16,888,109	12,609,010
Unclaimed dividend	1,650,116	2,866,251	1,807,670
Morabaha Arrangements	437,140,616	419,353,718	444,460,627
Taxation - net	-	-	-
	<u>746,666,133</u>	<u>743,402,036</u>	<u>781,406,862</u>
CONTINGENCIES AND COMMITMENTS	-	-	-
TOTAL EQUITY AND LIABILITIES	<u><u>1,329,670,933</u></u>	<u><u>1,310,133,381</u></u>	<u><u>1,359,861,217</u></u>
Debt Equity Ratio	33.87%	32.43%	29.33%
Current Ratio	0.90	0.87	0.90

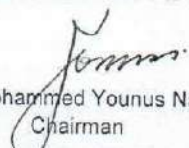
COMPARISON OF PROFIT & LOSS ACCOUNT OF THREE QUARTERS.

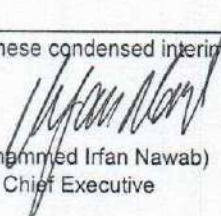
	1ST QUARTER 30-Sep-2018 Rupees	2ND QUARTER 31-Dec-2018 Rupees	3RD QUARTER 31-Mar-2019 Rupees	Y.T.D. 31-Mar-2019 Rupees
Net turnover	592,898,512	541,424,235	606,676,878	1,740,999,625
Cost of sales	(528,846,393)	(465,716,108)	(534,705,870)	(1,529,268,371)
Gross profit	64,052,119	75,708,127	71,971,008	211,731,254
G.P.Rate	10.80%	13.98%	11.86%	12.16%
Selling and distribution expenses	(4,979,338)	(3,526,764)	(3,635,850)	(12,141,952)
General and administration expenses	(14,530,870)	(27,808,813)	(14,051,852)	(56,391,535)
Other operating expenses	(1,635,115)	(1,780,466)	(874,861)	(4,290,442)
Operating profit	42,906,796	42,592,084	53,408,444.88	138,907,325
Finance cost	(16,593,074)	(18,837,728)	(21,406,627)	(56,837,429)
Other income	4,154,466	216,282	59,527	4,430,275
Profit for the period before taxation	30,468,188	23,970,638	32,061,344	86,500,170
Provision for taxation - current	(8,684,155)	(7,733,187)	(7,533,124)	(23,950,466)
- prior year	-	(2,287,850)	-	(2,287,850)
- deferred (current)	2,582,284	619,502	1,348,281	4,550,067
	(6,101,871)	(9,401,535)	(6,184,843)	(21,688,249)
Profit / Loss after taxation	24,366,317	14,569,103	25,876,501	64,811,921
Attributable to:				
- Shareholders of the Holding Company	21,845,782	13,530,221	21,042,212	56,418,215
- Non - controlling interest	2,520,535	1,038,882	4,834,289	8,393,706
	24,366,317	14,569,103	25,876,501	64,811,921
Earning per share before taxation	3.55	2.79	3.73	10.07
Earning per share after taxation	2.84	1.70	3.01	7.54


SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2019 (UN-AUDITED)

	NOTE	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	396,469,201	414,126,767
Investment property		76,148,425	83,217,171
Investments	6	35,000,000	35,000,000
Long-term deposits		2,796,051	2,836,051
		-----	-----
		510,413,677	535,179,989
CURRENT ASSETS			
Stock-in-trade	7	204,114,453	176,173,176
Short term investment		1,705,555	-
Trade debts- unsecured, considered good		245,439,605	201,099,321
Loans and advances		10,513,231	26,506,976
Trade deposits and short-term pre-payments		3,690,954	1,565,908
Other receivables		78,511,102	41,843,910
Taxation - net	8	39,962,813	44,711,863
Cash and bank balances		14,990,896	42,264,953
		598,928,609	534,166,107
		-----	-----
TOTAL ASSETS		1,109,342,286	1,069,346,097
		=====	=====
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000	100,000,000
		=====	=====
Issued, subscribed and paid-up capital			
8,593,750 (June 30, 2018: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
Reserves		261,962,836	244,631,845
		-----	-----
Shareholder's equity		347,900,336	330,569,345
NON CURRENT LIABILITIES			
Diminishing Mushareka	9	45,700,976	70,975,725
Deferred Liabilities	10	46,146,001	45,776,132
		91,846,978	116,751,858
CURRENT LIABILITIES			
Trade and other payables		161,306,143	120,971,787
Finance Cost payable		11,312,883	8,720,734
Loan from directors - unsecured		15,360,000	3,760,000
Current portion of diminishing mushareka	9	35,347,650	55,453,527
Unclaimed dividend		1,807,670	1,650,116
Morabaha Arrangements	11	444,460,627	431,468,730
Taxation - net	8	-	-
		669,594,972	622,024,894
CONTINGENCIES AND COMMITMENTS			
	12	-	-
		-----	-----
TOTAL EQUITY AND LIABILITIES		1,109,342,286	1,069,346,096
		=====	=====

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


(Mohammed Younus Nawab)
Chairman

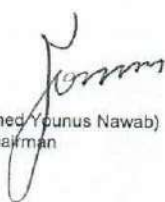

(Mohammed Irfan Nawab)
Chief Executive

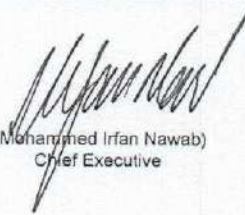

(Abdul Hussain Antaria)
Chief Financial Officer

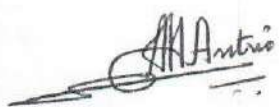
SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2019

		THREE QUARTERS ENDED		QUARTER ENDED	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		----- Rupees -----		----- Rupees -----	
Turnover - net		1,450,968,072	1,273,630,560	504,731,084	407,895,233
Cost of sales	13	(1,322,263,647)	(1,234,022,649)	(471,103,432)	(394,964,555)
Gross profit		128,704,425	39,607,911	33,627,653	12,930,678
Selling and distribution expenses		(8,534,292)	(9,555,017)	(3,020,470)	(3,358,222)
Administrative expenses		(43,709,320)	(29,610,161)	(10,028,192)	(10,081,941)
Other operating expenses		(4,141,852)	(347,760)	(843,611)	(108,000)
Operating profit		72,318,961	94,973	19,735,380	(617,485)
Finance costs		(45,344,361)	(34,010,082)	(15,980,810)	(10,459,310)
Other operating income		4,227,512	583,696	41,725	28,130
Rental income - net		11,481,324	2,943,385	4,180,085	1,252,232
Profit before taxation		42,683,436	(30,388,038)	7,976,380	(9,796,433)
Provision for taxation		(16,977,936)	(17,870,465)	(3,343,807)	(5,098,690)
Deferred taxation		8,812,990	1,079,580	4,363,534	959,796
		(8,164,945)	(16,790,885)	1,019,727	(4,138,894)
Profit after taxation		34,518,491	(47,178,923)	8,996,107	(13,935,327)
Earning per share - Basic and Diluted	14	4.02	(5.49)	1.05	(1.62)

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


(Mohammed Younus Nawab)
Chairman

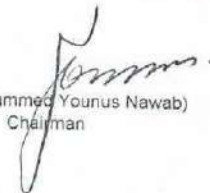

(Mohammed Irfan Nawab)
Chief Executive

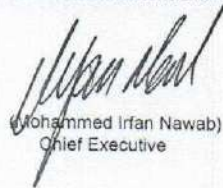

(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2019

	THIRD QUARTER ENDED		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees -----		----- Rupees -----	
Profit for the period	34,518,491	(47,178,923)	8,996,107	(13,935,327)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	34,518,491	(47,178,923)	8,996,107	(13,935,327)
	=====	=====	=====	=====

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


(Mohammed Younus Nawab)
Chairman

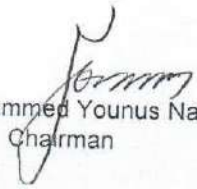

(Mohammed Irfan Nawab)
Chief Executive

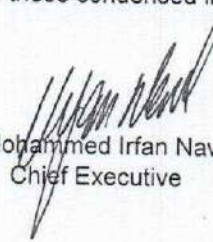

(Abdul Hussain Antaria)
Chief Financial Officer

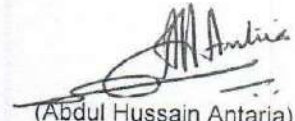
SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	42,683,436	(30,388,038)
Adjustments for:		
Depreciation	55,405,824	59,765,575
Gain on sale of fixed assets	-	(495,563)
Provision for gratuity	10,467,810	-
Provision for workers welfare fund	1,383,490	-
Provision for workers profit participation fund	2,319,312	-
Profit on PLS saving accounts	(134,326)	(88,133)
Finance costs	46,840,978	37,064,239
Cash generated by operating activities before working capital changes	158,966,524	65,858,080
(Increase) / decrease in current assets	(96,785,609)	53,769,518
(Decrease) / Increase in current liabilities	40,334,356	58,131,428
	102,515,271	177,759,026
Finance costs	(44,248,829)	(38,477,644)
Staff benefits paid	(1,284,951)	(505,377)
Payment of Workers' profit participation fund	(3,263,389)	-
Income taxes paid	(12,668,299)	(13,230,464)
Net cash inflow from operating activities	41,049,804	125,545,541
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(30,679,512)	(14,020,852)
Profit received from PLS saving accounts	134,326	88,133
Investments	-	(30,100,000)
Deposits	40,000	40,000
Proceeds from sale of property, plant and equipment	-	495,410
Net cash used in investing activities	(30,505,186)	(43,497,309)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts / (Repayments) under short term morabaha	12,991,897	19,197,209
Receipts / (Repayments) under long term musharaka	(45,380,626)	(56,014,836)
Borrowings from related party	11,600,000	(45,330,000)
Dividends paid	(17,029,946)	(317,143)
Net cash inflow from/(used in) financing activities	(37,818,675)	(82,464,770)
Net (decrease) / increase in cash and cash equivalents	(27,274,057)	(416,538)
Cash and cash equivalents at beginning of the period	42,264,953	8,283,975
Cash and cash equivalents at the end of the period	14,990,896	7,867,437

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


(Mohammed Younus Nawab)
Chairman

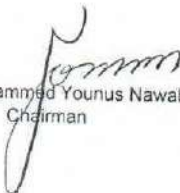

(Mohammed Irfan Nawab)
Chief Executive

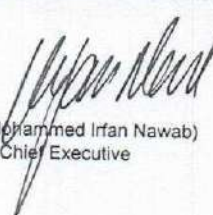

(Abdul Hussain Antaria)
Chief Financial Officer


SANA INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total
		General reserves	Un- appropriated profit	Sub Total	
Balance as at July 01, 2017	85,937,500	132,500,000	74,125,533	206,625,533	292,583,033
Final dividend for the year ended June 30, 2017	-	-	-	-	-
Total comprehensive income for the period	-	-	(47,178,923)	(47,178,923)	(47,178,923)
Balance as at March 31, 2018	85,937,500	132,500,000	26,946,610	159,446,610	245,384,110
Balance as at July 01, 2018	85,937,500	132,500,000	112,131,845	244,631,845	330,569,345
Final dividend for the year ended June 30, 2018	-	-	(17,187,500)	(17,187,500)	(17,187,500)
Total comprehensive income for the period	-	-	34,518,491	34,518,491	34,518,491
Balance as at March 31, 2019	85,937,500	132,500,000	129,462,836	261,962,836	347,900,336

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


(Mohammed Younus Nawab)
Chairman


(Mohammed Irfan Nawab)
Chief Executive


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2019

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, 2018.

The comparative balance sheet presented in this unconsolidated condensed interim financial information as at March 31, 2019 has been extracted from audited financial statements of the holding company for the year ended June 30, 2018, 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, 2017 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, 2018.

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, 2018.

5. PROPERTY, PLANT AND EQUIPMENT

Net book value (NBV) at the beginning of the period
 Add: Additions to tangible fixed assets

5.1

Less: Disposals during the period (NBV)
 Depreciation charged during the period

Net book value (NBV) at the closing of the period
 Capital work-in-progress

March 31,
2019
(Un-audited)
 ----- (Rupees) -----

June 30,
2018
(Audited)

409,427,793
34,214,465

505,015,757
 31,317,934

-
47,173,057
47,173,057

58,709,276
 68,196,622
 126,905,898

396,469,201

 409,427,793
 4,698,974

396,469,201
 =====

 414,126,767
 =====

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	----- (Rupees) -----	
5.1 ADDITIONS		
Land and Building on leasehold land	453,975	4,255,043
Office premises - SF/96	108,274	-
Plant and machinery	20,690,948	24,472,302
Electrification - Factory building	11,527,318	1,948,296
Handling equipments	-	-
Furniture, fixtures and office equipments	213,960	553,382
Vehicles	1,197,990	54,411
Computers	22,000	34,500
	<u>34,214,465</u>	<u>31,317,934</u>
	=====	=====
6. INVESTMENTS		
Equity investments	35,000,000	35,000,000
	<u>35,000,000</u>	<u>35,000,000</u>
	=====	=====
Represents equity investment in Sana Logistics Pvt Ltd (Formerly Sana Greens Pvt Ltd). As of the balance sheet date, Sana Industries Ltd. owns 70 percent shares in Sana Logistics Pvt. Limited.(June 30, 2018, 70 percent shares).		
7. STOCK-IN-TRADE		
Raw and packing material		
- in hand	71,861,686	70,455,680
- in transit	9,113,944	1,588,498
	<u>80,975,630</u>	<u>72,044,178</u>
Work-in-process	46,609,498	28,598,494
Finished goods	74,751,000	74,876,334
Waste stock	1,778,325	654,170
	<u>204,114,453</u>	<u>176,173,176</u>
	=====	=====
8. TAXATION - NET		
Refundable Income Tax	44,596,533	48,329,026
Advance income tax	11,434,286	16,747,418
Provision for taxation	(16,068,006)	(20,364,581)
	<u>39,962,813</u>	<u>44,711,863</u>
	=====	=====
9. DIMINISHING MUSHAREKA - Secured		
Diminishing Mushareka from a commercial bank	81,048,626	126,429,252
Less: Current portion	(35,347,650)	(55,453,527)
	<u>45,700,976</u>	<u>70,975,725</u>
	=====	=====

DIMINSHING MUSHARAKA DISCLOSURE

Date of Disbursement	Nature of Asset	Amount Disbursed	Profit Rate	Floor	Ceiling	Principal Outstanding as at March 31, 2019	Ending Date
----------------------	-----------------	------------------	-------------	-------	---------	--	-------------

9.1 HABIB METROPOLITAN BANK:

28-Oct-16	Generator WAUKESHA Model VHP5904LTD	30,716,842	6M KIBOR + 2%	7.5%	14%	17,918,161	02-Feb-22
16-Feb-17	4 SETS DRAWFRAMES RIETER	16,078,720	6M KIBOR + 2%	7.5%	14%	16,078,720	20-Mar-22
02-Feb-17	14 sets complete ring spinning frames	55,442,587	6M KIBOR + 2%	7.5%	14%	35,113,641	09-Apr-22
07-Apr-17	4 SETS TWISTER MACHINE CHINA	8,660,544	6M KIBOR + 2%	7.5%	14%	5,629,356	22-May-22
						74,739,878	

9.2 STANDARD CHARTERED BANK:

22-Apr-16	Steel Bulding for AZ	12,445,000	1M KIBOR + 1.75%	-	-	414,843	22-Apr-19
22-Apr-16	Civil work for AZ	18,000,000	1M KIBOR + 1.75%	-	-	600,000	23-Apr-19
23-Apr-16	Steel Bulding for AZ	10,900,000	1M KIBOR + 1.75%	-	-	363,343	24-Apr-19
	D. G. Set of 320 KVA, Wooden pallets, Cool chain machinery and equipment . Local purchases and Steel building for AZ	27,000,000	1M KIBOR + 1.75%	-	-	1,800,000	11-May-19
11-May-16	Reach Truck R20S	8,740,000	1M KIBOR + 1.75%	-	-	1,213,882	23-Aug-19
23-Aug-16	Racking	11,500,000	1M KIBOR + 1.75%	-	-	1,916,680	06-Sep-19
08-Sep-16						6,308,748	

9.4 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 LIABILITES

Provision for compensated absences	10.1	625,981	1,910,932
Deferred taxation	10.2	35,977,324	44,790,314
Staff retirement benefits		9,542,696	(925,114)
		-----	-----
		46,146,001	45,776,132
		=====	=====

10.1 Provision for compensated absences

Balance at beginning of the year	1,910,932	1,591,927
Charge for the year	-	825,559
Benefits paid during the year	(1,284,951)	(506,554)
	-----	-----
Balance at end of the year	625,981	1,910,932
	=====	=====

10.2 Deferred taxation

Deferred tax (asset) / liability on account of:		
- accelerated depreciation	32,678,518	41,491,508
-unused tax losses and credits	(1,205,984)	(1,205,984)
Remeasurement of defined benefit plans - O.C.I component	4,504,791	4,504,791
	-----	-----
	35,977,324	44,790,314
	=====	=====

11. MORABAHA ARRANGEMENT - secured

Commercial banks		
Habib Metropolitan Bank Limited	11.1	312,310,000
Standard Chartered Bank	11.2	132,150,627

		444,460,627
		=====
		431,468,730
		=====

- 11.1 This represent short term morabaha facility obtained for purchase of raw material used in daily production. The bank has approved the facility of Rs. 330 million which is secured against first charge over movable stock, receivables, plant and machinery and fixed assets duly ensured in banks favour covering all risk with premium payment receipts. The rate of markup on the facility is 6 months KIBOR + 2% per annum.
- 11.2 This represent short term morabaha facility obtained for procurement of raw material from local market. The bank has approved the facility of Rs. 134 million which is secured against first charge over land and building bearing survey no. 54 located at Gondpas Tapo Gabopat Kemari Town, Karachi, pari passu charge over stocks and receivables of company amounting to Rs. 200 million and personal guarantees of directors. The rate of markup on the facility is 3 months KIBOR + 1.5% per annum.

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, 2018.

12.2 Commitments

Custom duty and income tax on stock in transit	797,560	129,550
Outstanding letter of credits	78,364,166	76,107,960
Letters of guarantee issued by a commercial bank	24,056,478	22,861,098

	THREE QUARTERS ENDED		QUARTER ENDED	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees -----		----- Rupees -----	
13. COST OF SALES				
Opening stock finished goods and waste	75,530,504	169,088,328	107,195,909	77,653,983
Purchases of finished goods	-	-	-	-
Cost of goods manufactured	1,323,262,468	1,147,918,390	440,436,848	400,294,641
Closing stock finished goods and waste	(76,529,325)	(82,984,069)	(76,529,325)	(82,984,069)
	-----	-----	-----	-----
	1,322,263,647	1,234,022,649	471,103,432	394,964,555
	-----	-----	-----	-----
14. EARNING PER SHARE - BASIC AND DILUTED				
Profit after taxation	Rupees 34,518,491	(47,178,923)	8,996,107	(13,935,327)
Issued ordinary shares	8,593,750	8,593,750	8,593,750	8,593,750
Basic and diluted earnings per share	Rupees 4.02	(5.49)	1.06	(1.62)
	-----	-----	-----	-----

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				
Staff retirement benefit plans	Contribution to gratuity fund	10,487,810	3,266,545	-	1,031,081
Key management personnel	Remuneration and benefits	29,420,907	16,246,952	16,054,023	5,818,196
Borrowings from Directors' family member		26,250,000	67,700,000	6,200,000	8,600,000
Repayment of borrowings from Directors' family member		14,650,000	113,030,000	4,600,000	15,400,000
Rent paid to director's family members		3,292,500	1,932,000	-	986,000
Rental income from subsidiary company		28,975,418	27,000,000	9,570,178	9,000,000
Receivable from subsidiary company		34,481,428	3,242,289	8,708,929	-

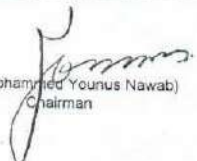
29 APR 2019

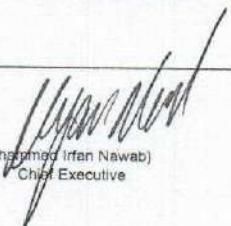
16. DATE OF AUTHORIZATION FOR ISSUE

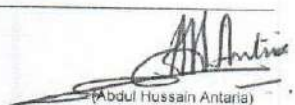
16.1 These financial statements were authorised for issue on _____ by the Board of Directors of the Company.

17. GENERAL

17.1 Amounts have been rounded off to the nearest Rupee.


(Mohammed Younus Nawab)
Chairman


(Mohammad Irfan Nawab)
Chief Executive


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2019.

	NOTE	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	649,191,499	672,751,363
Long-term deposits		6,403,551	6,443,551
		655,595,050	679,194,914
CURRENT ASSETS			
Stock-in-trade	7	204,114,453	176,173,176
Short term investment		1,705,555	-
Trade debts- unsecured, considered good		337,449,580	289,710,095
Loans and advances		16,178,968	26,750,976
Trade deposits and short-term pre-payments		3,690,954	6,230,978
Other receivables		45,480,425	33,042,245
Taxation - net	8	73,946,866	63,139,974
Cash and bank balances		21,699,366	43,690,361
		704,266,167	638,737,805
TOTAL ASSETS		1,359,861,216	1,317,932,720
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital			
8,593,750 (June 30, 2018: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
Reserves		287,003,044	247,772,329
Equity attributable to the shareholders of holding Company		372,940,544	333,709,829
Non controlling interest	6	35,865,778	27,472,072
		408,806,322	361,181,901
NON CURRENT LIABILITIES			
Diminishing Mushareka	9	95,607,169	135,879,598
Long term liabilities		25,630,490	40,029,608
Deferred Liabilities	10	48,410,373	43,777,581
		169,648,033	219,686,787
CURRENT LIABILITIES			
Trade and other payables		183,282,303	157,622,028
Accrued profit		11,312,883	8,720,734
Borrowings from Directors		75,585,000	64,960,000
Current portion of diminishing mushareka	9	52,349,370	55,453,527
Current portion of long-term liability		12,609,010	17,188,897
Unclaimed dividend		1,807,670	1,650,116
Morabaha Arrangements	11	444,460,627	431,468,730
Taxation - net	8	-	-
		781,406,862	737,064,031
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		1,359,861,217	1,317,932,720

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

(Mohammed Younus Nawab)
Chairman

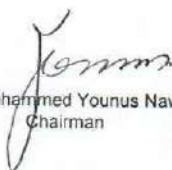
(Mohammed Irfan Nawab)
Chief Executive

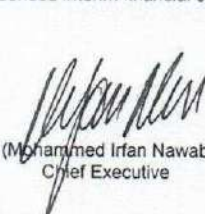
(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2019

	NOTE	THREE QUARTERS ENDED		QUARTER ENDED	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		----- Rupees -----		----- Rupees -----	
Turnover - net		1,740,999,625	1,504,420,989	608,676,878	490,606,922
Cost of sales	13	(1,529,268,371)	(1,414,767,830)	(534,705,870)	(480,256,235)
Gross profit		211,731,254	89,653,159	71,971,008	30,350,687
Selling and distribution expenses		(12,141,952)	(13,610,084)	(3,635,850)	(4,656,653)
Administrative expenses		(56,391,535)	(41,518,335)	(14,051,852)	(14,062,409)
Other operating expenses		(4,290,442)	(898,134)	(874,861)	(658,374)
Other operating income		4,430,275	646,848	59,527	50,360
Operating profit		143,337,600	34,273,454	53,467,972	11,023,611
Finance costs		(56,837,429)	(37,068,781)	(21,406,627)	(11,398,441)
Profit before taxation		86,500,170	(2,795,306)	32,061,344	(374,830)
Provision for taxation		(26,238,316)	(22,482,618)	(7,533,124)	(6,225,662)
Deferred taxation		4,550,067	19,861,649	1,348,281	8,331,532
		(21,688,249)	(2,620,769)	(6,184,843)	2,105,870
Profit after taxation		64,811,921	(5,415,075)	25,876,501	1,731,040
Earning per share - Basic and Diluted	14	7.54	(0.63)	3.01	0.20

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


(Mohammed Younus Nawab)
Chairman

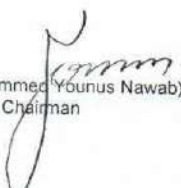

(Mohammed Irfan Nawab)
Chief Executive

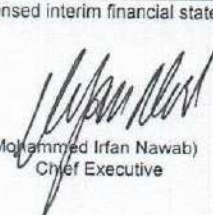

(Abdul Hussain Antaria)
Chief Financial Officer

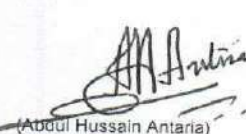
SANA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2019

	<u>THREE QUARTERS ENDED</u>		<u>QUARTER ENDED</u>	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees -----		----- Rupees -----	
Profit for the period	64,811,921	(5,416,075)	25,876,501	1,731,040
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>64,811,921</u>	<u>(5,416,075)</u>	<u>25,876,501</u>	<u>1,731,040</u>
Attributable to				
Owners Equity	56,418,215	(17,757,604)	21,042,212	(2,359,526)
Non-controlling interest	8,393,706	12,341,529	4,834,289	4,090,566
	<u>64,811,921</u>	<u>(5,416,075)</u>	<u>25,876,501</u>	<u>1,731,040</u>

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


(Mohammed Younus Nawab)
Chairman

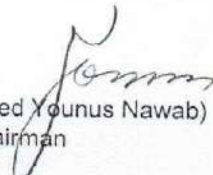

(Mohammed Irfan Nawab)
Chief Executive


(Abdul Hussain Antaria)
Chief Financial Officer


SANA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	86,500,170	(3,419,723)
Adjustments for:		
Depreciation	64,378,754	64,679,990
Loss / (Gain) on sale of fixed assets	(149,490)	(495,563)
Provision for gratuity	10,467,810	-
Provision for workers welfare fund	1,383,490	-
Provision for workers profit participation fund	2,319,312	-
Profit on PLS saving accounts	(187,599)	(151,285)
Finance costs	56,837,429	37,068,761
	-----	-----
Cash generated by operating activities before working capital changes	221,549,877	97,682,180
(Increase) / decrease in current assets	(100,438,385)	36,626,589
(Decrease) / Increase in current liabilities	49,386,195	27,306,025
	-----	-----
	170,497,687	161,614,794
Finance costs	(50,208,962)	(38,482,166)
Staff benefits paid	(1,284,951)	(505,377)
Payment of Workers' profit participation fund	(3,263,389)	-
Income taxes paid	(37,484,620)	(30,438,943)
	-----	-----
Net cash inflow from operating activities	78,255,765	92,188,309
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(41,423,001)	(20,395,531)
Profit received from PLS saving accounts	187,599	151,285
Deposits	40,000	(1,775,000)
Proceeds from sale of property, plant and equipment	753,600	495,410
Net cash used in investing activities	(40,441,802)	(21,523,836)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts / (Repayments) under short term morabaha	12,991,897	19,197,209
Receipts / (Repayments) under long term musharaka	(43,376,586)	(56,014,836)
Proceeds from issue of shares - NCI	-	9,900,000
Long term liabilities	(23,015,324)	(1,902,339)
Borrowings/(Repayment) from related party	10,625,000	(41,530,000)
Dividends paid	(17,029,946)	(317,143)
Net cash inflow from/(used in) financing activities	(59,804,958)	(70,667,109)
	-----	-----
Net (decrease) / increase in cash and cash equivalents	(21,990,995)	(2,636)
Cash and cash equivalents at beginning of the period	43,690,361	9,018,917
	-----	-----
Cash and cash equivalents at the end of the period	21,699,366	9,016,282
	=====	=====

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


(Mohammed Younus Nawab)
Chairman

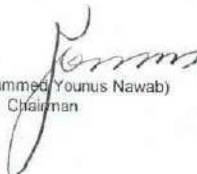

(Mohammed Irfan Nawab)
Chief Executive

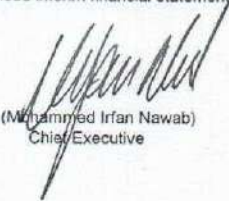

(Abdul Hussain Antaria)
Chief Financial Officer


SANA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2019

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Non- controlling interest	Total
		General reserves	Un- appropriated profit	Sub Total		
Balance as at July 01, 2017	85,937,500	132,500,000	66,715,945	199,215,945	3,830,797	288,984,242
Non-controlling interest arising on a business combination	-	-	-	-	9,900,000	9,900,000
Total comprehensive income for the period	-	-	(17,757,604)	(17,757,604)	12,341,529	(5,416,075)
Balance as at March 31, 2018	85,937,500	132,500,000	48,958,341	181,458,341	26,072,326	293,468,167
Balance as at July 01, 2018	85,937,500	132,500,000	115,272,329	247,772,329	27,472,072	361,181,901
Final dividend for the year ended June 30, 2018	-	-	(17,187,500)	(17,187,500)	-	(17,187,500)
Non-controlling interest arising on a business combination	-	-	-	-	-	-
Total comprehensive income for the period	-	-	56,418,215	56,418,215	8,393,706	64,811,921
Balance as at March 31, 2019	85,937,500	132,500,000	154,503,044	287,003,044	35,865,778	408,806,322

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


(Mohammed Younus Nawab)
Chairman


(Mohammed Irfan Nawab)
Chief Executive


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE QUARTERS ENDED MARCH 31, 2019

1. THE GROUP AND ITS OPERATIONS

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, Ba

1.3 The Group Consist of

- Sana Industries Limited (the holding company), and
- Sana Logistics (Private) Limited - Holding of 70%

1.4 Sana Logistics (Private) Limited ('the subsidiary company') was incorporated in Pakistan as a private limited Company under the Companies Ordinance, 1984 (the Ordinance) [now Companies Act, 2017]. The principal activity of the subsidiary company is to provide services in respect of Dry Storage through "Compartmentalized store project".

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) 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, 2018.

The comparative balance sheet presented in this condensed interim consolidated financial information as at March 31, 2018 has been extracted from audited financial statements of the holding company for the year ended June 30, 2018, 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, 2018 financial statements.

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, 2018.

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, 2018.

		March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		----- (Rupees) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Net book value (NBV) at the beginning of the period		667,553,089	628,328,927
Add: Additions to tangible fixed assets	5.1	46,121,975	185,310,794
Less: Disposals during the period (NBV)		604,111	58,922,610
Depreciation charged during the period		64,378,754	87,164,022
		64,982,865	146,086,632
Net book value (NBV) at the closing of the period		648,692,199	667,553,089
Capital work-in-progress		499,300	5,198,274
		649,191,499	672,751,363

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	----- (Rupees) -----	
5.1 ADDITIONS		
Land and Building on leasehold land	1,617,996	7,375,043
Office premises - SF/96	108,274	-
Plant and machinery	23,821,713	66,888,088
Electrification - Factory building	12,879,543	1,948,296
Handling equipments	5,799,489	107,313,790
Furniture, fixtures and office equipments	302,460	1,189,489
Vehicles	1,197,990	103,961
Computers	394,510	492,126
Plastic Crates		
	<u>46,121,975</u>	<u>185,310,794</u>
	=====	=====
6. INVESTMENTS		
Net Assets (100%)	345,389,009	324,043,743
Non-Controlling Interest (30%)	(15,000,000)	(15,000,000)
	<u>330,389,009</u>	<u>309,043,743</u>
	=====	=====
Non-Controlling Interest		
Share of NCI (opening)	27,472,072	3,830,797
Addition during the period	-	9,900,000
Share in Profit / (Loss)	8,393,706	13,741,275
	<u>35,865,778</u>	<u>27,472,072</u>
	=====	=====
7. STOCK-IN-TRADE		
Raw and packing material		
- in hand	71,861,686	70,455,680
- in transit	9,113,944	1,588,498
	<u>80,975,630</u>	<u>72,044,178</u>
	=====	=====
Work-in-process	46,609,498	28,598,494
Finished goods	74,751,000	74,876,334
Waste stock	1,778,325	654,170
	<u>204,114,453</u>	<u>176,173,176</u>
	=====	=====
8. TAXATION - NET		
Refundable income tax	61,745,483	48,329,026
Advance tax	36,151,849	40,158,534
Provision for Tax	(23,950,466)	(25,347,586)
	<u>73,946,866</u>	<u>63,139,974</u>
	=====	=====
9. DIMINISHING MUSHAREKA - Secured		
Diminishing Mushareka from a commercial bank	147,956,539	191,333,125
Less: Current portion	(52,349,370)	(55,453,527)
	<u>95,607,169</u>	<u>135,879,598</u>
	=====	=====

DIMINSHING MUSHARAKA DISCLOSURE

Date of Disbursement	Nature of Asset	Amount Disbursed	Profit Rate	Floor	Ceiling	Principal Outstanding as at March 31, 2019	Ending Date
9.1 HABIB METROPOLITAN BANK:							
28-Oct-16	Generator WAUKESHA Model VHP5904LTD	30,716,842	6M KIBOR + 2%	7.5%	14%	17,918,161	02-Feb-22
16-Feb-17	4 SETS DRAWFRAMES RIETER	16,078,720	6M KIBOR + 2%	7.5%	14%	16,078,720	20-Mar-22
02-Feb-17	14 sets complete ring spinning frames	55,442,587	6M KIBOR + 2%	7.5%	14%	35,113,641	09-Apr-22
07-Apr-17	4 SETS TWISTER MACHINE CHINA	8,660,544	6M KIBOR + 2%	7.5%	14%	5,629,356	22-May-22
						74,739,878	

9.2 STANDARD CHARTERED BANK:							
22-Apr-16	Steel Bulding for AZ	12,445,000	1M KIBOR + 1.75%	-	-	414,843	22-Apr-19
22-Apr-16	Civil work for AZ	18,000,000	1M KIBOR + 1.75%	-	-	600,000	23-Apr-19
23-Apr-16	Steel Bulding for AZ	10,900,000	1M KIBOR + 1.75%			363,343	24-Apr-19
11-May-16	D.G Set of 320 KVA, Wooden pallets, Cool chain machinery and equipment , Local purchases and Steel building for AZ	27,000,000	1M KIBOR + 1.75%	-	-	1,800,000	11-May-19
23-Aug-16	Reach Truck R20S	8,740,000	1M KIBOR + 1.75%	-	-	1,213,882	23-Aug-19
08-Sep-16	Racking	11,500,000	1M KIBOR + 1.75%	-	-	1,916,680	08-Sep-19
						6,308,748	

9.4 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 TAX

Provision for compensated absences	10.1	625,981	1,910,932
Deferred taxation	10.2	38,241,696	42,791,763
Staff retirement benefits		9,542,696	(925,114)
		48,410,373	43,777,581

10.1 Provision for compensated absences

Balance at beginning of the year	1,910,932	1,591,927
Charge for the year	-	825,559
Benefits paid during the year	(1,284,951)	(506,554)
Balance at end of the year	625,981	1,910,932

10.2 Deferred taxation

Deferred tax (asset) / liability on account of:			
- accelerated depreciation		34,942,890	39,492,957
- unused tax losses and credits		(1,205,984)	(1,205,984)
Remeasurement of defined benefit plans - O.C.I component		4,504,791	4,504,791
		38,241,696	42,791,763

11. MORABAHA ARRANGEMENT - secured

Commercial banks			
Habib Metropolitan Bank Limited	11.1	312,310,000	300,960,627
Standard Chartered Bank	11.2	132,150,627	130,508,103
		444,460,627	431,468,730

11. MORABAHA ARRANGEMENT - secured

Commercial banks

Habib Metropolitan Bank Limited	11.1	312,310,000	300,960,627
Standard Chartered Bank	11.2	132,150,627	130,508,103
		<u>444,460,627</u>	<u>431,468,730</u>
		=====	=====

11.1 Short-term morabaha had been obtained for the regular purchases of raw material. The bank has approved a facility of Rs. 300 million. The effective rate of profit on morabaha in facility ranges between 8.14% to 8.62% (based on 6 months KIBOR + 2.00% per annum). The arrangement is secured against equitable mortgage of factory land, building and plant & machinery (except assets financed under diminishing musharka by another financial institution), located at H.I.T.E., Hub, Balochistan, hypothecation of goods imported / purchased under this financing, execution of promissory notes and personal guarantees of three directors of the company.

11.2 Short-term morabaha had been obtained for the regular purchases of raw material. The bank has approved a facility of Rs. 134 million. The effective rate of profit on morabaha in facility ranges between 7.63% to 7.91% (based on 3 months KIBOR + 1.75% per annum). The arrangement is secured against equitable mortgage of factory land, building and plant & machinery (except assets financed under diminishing musharka by another financial institution), located at plot no, 54 Dehi Gondpas Tapo Gabopat Kemari Town Karachi, hypothecation of goods imported / purchased under this financing, execution of promissory notes and personal guarantees of three directors of the company.

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 30, 2018.

12.2 Commitments

Custom duty and income tax on stock in transit		797,560	129,550
		=====	=====
Outstanding letter of credits		78,364,165	76,107,960
		=====	=====
Letters of guarantee issued by a commercial bank		24,056,478	22,881,098
		=====	=====

	THREE QUARTERS ENDED		QUARTER ENDED	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees		Rupees	
13. COST OF SALES				
Opening stock finished goods and waste	75,530,504	169,088,328	107,195,909	77,653,983
Cost of goods manufactured	1,530,267,192	1,328,663,571	604,039,286	465,586,321
Closing stock finished goods and waste	(76,529,325)	(82,984,069)	(76,529,325)	(82,984,069)
	<u>1,529,268,371</u>	<u>1,414,767,830</u>	<u>534,705,870</u>	<u>460,256,235</u>
	=====	=====	=====	=====

14. EARNING PER SHARE - BASIC AND DILUTED				
Profit after taxation	Rupees	64,811,921	(5,416,075)	25,876,501
				1,731,040
Issued ordinary shares		8,593,750	8,593,750	8,593,750
				8,593,750
Basic and diluted earnings per share	Rupees	7.54	(0.63)	3.01
		=====	=====	=====
				0.20
				=====

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				
Staff retirement benefit plans	Contribution to gratuity fund	10,467,810	3,266,545	-	1,031,081
Key management personnel	Remuneration and benefits	45,620,907	27,946,952	21,454,023	10,918,196
Borrowings from Directors' family member		88,768,514	112,045,000	16,600,000	51,745,000
Repayment of borrowings from Directors' family member		78,143,514	153,575,000	27,150,000	55,945,000
Rent paid to director's family members		8,466,492	3,864,000	1,168,500	2,898,000

29 APR 2019

16. DATE OF AUTHORIZATION FOR ISSUE

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

17. GENERAL

17.1 Amounts have been rounded off to the nearest Rupee.

(Mohammed Younus Nawab)
Chairman

(Mohammed Irfan Nawab)
Chief Executive

(Abdul Hussain Antaria)
Chief Financial Officer