



Quarterly
Accounts
(UN-AUDITED)
As at 30th September, 2019
(1st 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

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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.Muhammad Ashfaq	- Director
Mr.Mohammed Khalid Yousuf	- Director
Hafiz Mohammed Irfan Nawab	- Chief Executive

H.R. & Remuneration Committee

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

Audit Committee

Mr.Mohammed Khalid Yousuf	- Chairman
Mr.Muhammad Ashfaq	- 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

Mills

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

Auditors

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

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, 2018, as required by the Securities and Exchange Commission of Pakistan, vide Circular No.2(52)SE/2001 dated 5/11/2001.

The results of the First quarter have shown a decline as compared to the 1st quarter of last year, due to implementation of Sales Tax on textiles. The consolidated Gross Profit however enhanced marginally by 2.31 million or 1.88%. The unconsolidated Net profit before tax of Rs.17.76 million for the previous corresponding quarter has declined to Rs.8.88 million. During the period under review, the 'consolidated' Net Profit, before tax, during the corresponding period of last year, amounting to Rs.30.47 million has declined to a Net Profit of Rs.23.88 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 are optimistic about the future profitability of the Company, due to present 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.

On behalf of the Board


(Mohammed Irfan Nawab)
Chief Executive.

Karachi: 25th October, 2019.

ڈائریکٹرز رپورٹ

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر ۲ (۵۲) سی ای ۲۰۱۹ء بتاریخ ۰۵/۱۱/۲۰۰۱ء کے مطابق ۳۰ ستمبر ۲۰۱۹ء کو ختم ہونے والی پہلی سہ ماہی کے لئے ڈائریکٹرز غیر پڑتال شدہ اکاؤنٹس جمع کرنے میں خوشی رکھتے ہیں۔

الحمد للہ پہلی سہ ماہی کے نتائج گزشتہ سال کی پہلی سہ ماہی کے مقابلے میں نقصان پر ہے جس کی وجہ سے ایگزیکٹس کا نفاذ ہے اور گزشتہ سال کی پہلی سہ ماہی میں کل مجموعی منافع 2.31 ملین روپے یا % 1.88 سے بڑھا ہے اور UNCONSOLIDATED آمدنی قبل از ٹیکس پچھلے سال کی سہ ماہی میں جو 17.76 ملین روپے تھی وہ کم ہو کر اس سہ ماہی میں 8.88 ملین روپے ہو گئی ہے۔ گزشتہ سال اسی سہ ماہی میں خالص مجموعی منافع قبل از ٹیکس 30.47 ملین روپے سے کم ہو کر اس سال 23.88 ملین روپے ہو گیا ہے۔ ہمارے حصص داران کی سہولت کے لئے مندرجہ ذیل آپریٹنگ اور فنانشیل ڈیٹا ساتھ منسلک ہے۔

(ا) گزشتہ سہ ماہی سے موازنہ: Annex-A

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

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: ۱۲۵ اکتوبر ۲۰۱۹ء

Comparison with previous quarter

Annexure A

Covering period FROM TO	01-July-2019 30-Sep-2019	01-Apr-2019 30-Jun-2019	VARIATION	
			Amount	Percentage
Turnover - net	523.17	661.54	(138.37)	-20.92%
Cost of Sales	456.81	563.58	(106.77)	-18.94%
Gross Profit	66.36	97.96	(31.60)	-32.25%
G.P.Rate to Sales	12.68%	14.81%		-2.13%
Administrative, Selling, Financial & Other expenses	43.50	45.98	(2.48)	-5.40%
Other income	1.01	0.64	0.37	58.09%
Net Profit before taxation	23.88	52.62	(28.74)	-54.63%
Net Profit Rate to Sales	4.56%	7.95%		
Provision for Taxation	15.06	9.41	5.65	60.02%
Profit after Taxation	8.82	43.21	(34.39)	-79.59%
Attributable to:				
- Shareholders of the Holding Company	6.61	39.57	(32.96)	-83.30%
- Non - controlling interest	2.21	3.64	(1.43)	-39.32%
	<u>8.82</u>	<u>43.21</u>		
Earning per share (before tax)	2.78	6.12	(3.34)	-54.58%
Earning per share (after tax)	0.77	4.61	(3.84)	-83.30%

Comparison with corresponding quarter of last year


Annexure B

Covering period FROM TO	01-July-2019 30-Sep-2019	01-July-2018 30-Sep-2018	VARIATION	
			Amount	Percentage
Turnover - net	523.17	592.90	(69.72)	-11.76%
Cost of Sales	456.81	528.85	(72.04)	-13.62%
Gross Profit	66.36	64.05	2.31	3.61%
G.P.Rate to Sales	12.68%	10.80%		
Administrative, Selling, Financial & Other expenses	43.50	37.74	5.76	15.27%
Other income	1.01	4.15	(3.14)	-75.65%
Net Profit / (Loss) before taxation	23.88	30.47	(6.59)	-21.64%
Net Profit / (Loss) Rate to Sales	4.56%	5.14%		
Provision for Taxation	15.06	6.10	8.96	146.77%
Profit after Taxation	8.82	24.37	(15.55)	-63.81%
Attributable to:				
- Shareholders of the Holding Company	6.61	21.85	(15.24)	-69.75%
- Non - controlling interest	2.21	2.52	(0.31)	-12.36%
	<u>8.82</u>	<u>24.37</u>		
Earning per share (before tax)	2.78	3.55	(0.77)	-21.69%
Earning per share (after tax)	0.77	2.54	(1.77)	-69.69%

SANA INDUSTRIES LIMITED
UNCONSOLIDATED INTERIM CONDENSED BALANCE SHEET
AS AT 30 SEPTEMBER 2019 (UN-AUDITED)

	NOTE	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
		----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Tangible fixed assets	4	376,731,670	390,637,695
Investment property		70,754,635	73,451,534
Long-term deposits		2,756,051	2,756,051
Investments	5	35,000,000	35,000,000
		485,242,356	501,845,280
CURRENT ASSETS			
Stock-in-trade	6	216,711,796	214,142,525
Short term investments		1,705,555	1,705,555
Trade debts- unsecured, considered good		349,644,246	313,588,277
Advances		21,866,326	23,023,526
Deposits and pre-payments		4,799,914	1,354,543
Other receivables		66,123,023	59,105,951
Taxation - net	7	43,454,187	39,872,602
Cash and bank balances		10,734,575	29,971,577
		715,039,621	682,764,556
TOTAL ASSETS		1,200,281,977	1,184,609,836
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000	100,000,000
		100,000,000	100,000,000
Issued, subscribed and paid-up capital			
8,593,750 (30-6-2019: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
		85,937,500	85,937,500
Reserves			
		280,073,217	279,389,565
Shareholder's equity		366,010,717	365,327,065
NON CURRENT LIABILITIES			
Diminishing Mushareka	8	38,471,818	44,516,505
Deferred liabilities	9	54,764,942	53,779,541
		93,236,760	98,296,046
CURRENT LIABILITIES			
Trade and other payables		173,597,297	117,818,831
Advances from Customers		109,891,558	104,774,611
Accrued profit on Murabaha/Mushareka arrangements		12,696,190	11,770,802
Borrowings from Directors and family members		8,410,000	18,610,000
Current portion of long term mushareka arrangement	8	24,178,704	25,622,593
Unclaimed dividend		1,772,314	1,798,879
Murabaha Arrangements	10	410,488,437	440,591,009
Taxation - net	7	-	-
		741,034,500	720,986,725
CONTINGENCIES AND COMMITMENTS		11	-
TOTAL EQUITY AND LIABILITIES		1,200,281,977	1,184,609,836

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


(Mohammed Irfan Nawab)
Chief Executive

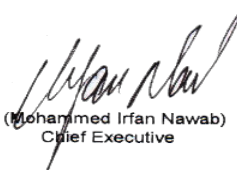

(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

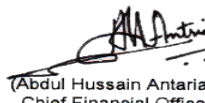
SANA INDUSTRIES LIMITED
UNCONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

		September 30, 2019	September 30, 2018
		----- Rupees -----	
Gross Turnover		483,415,601	499,815,250
less			
Sales tax		(63,560,079)	-
Commissions and discounts		-	(1,125,276)
		-----	-----
Net Turnover		419,855,522	498,689,974
Cost of sales	12	(381,494,029)	(459,874,371)
		-----	-----
Gross profit		38,361,493	38,815,603
Selling and distribution expenses		(4,866,400)	(3,056,278)
Administrative expenses		(12,362,142)	(10,368,881)
Other operating expenses		(696,443)	(1,603,865)
Other operating income		112,739	4,136,161
		-----	-----
Operating profit		20,549,247	27,922,740
Rental Income		4,580,805	3,430,484
Finance cost		(16,254,986)	(13,596,598)
		-----	-----
Profit/(Loss) for the period before taxation		8,875,066	17,756,626
Provision for taxation			
- current		(6,201,713)	(5,891,928)
- deferred (current)		(1,989,701)	3,328,364
		(8,191,414)	(2,563,564)
		-----	-----
Profit after taxation		683,652	15,193,062
		=====	=====
Earning per share	13	0.08	1.77
		=====	=====

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
UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	September 30, 2019	September 30, 2018
	----- Rupees -----	
Net profit for the period	683,652	15,193,062
Other comprehensive income	-	-
	-----	-----
	683,652	15,193,062
	=====	=====

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, 2019

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total
		General reserve	Un- appropriated profit	Sub Total	
Balance as at July 01, 2018	85,937,500	132,500,000	112,131,845	244,631,845	330,569,345
Profit after taxation for the first quarter ended September 30, 2018	-	-	15,193,062	15,193,062	15,193,062
Balance as at September 30, 2018	85,937,500	132,500,000	127,324,907	259,824,907	345,762,407
Balance as at July 01, 2019	85,937,500	132,500,000	146,889,565	279,389,565	365,327,065
Profit after taxation for the first quarter ended September 30, 2019	-	-	683,652	683,652	683,652
Balance as at September 30, 2019	85,937,500	132,500,000	147,573,217	280,073,217	366,010,717

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


(Mohamed Irfan Nawab)
Chief Executive

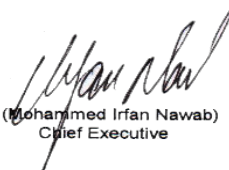

(Mohammed Younus Nawab)
Chairman



(Abdul Hussain Antaria)
Chief Financial Officer

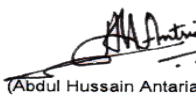
SANA INDUSTRIES LIMITED
UNCONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Note	September 30, 2019	September 30, 2018
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation		8,875,066	17,756,626
Add/(Less): Adjustments for:			
Depreciation		19,122,016	18,601,296
Loss/(Gain) on disposal of fixed assets		(12,527)	-
Profit on PLS account		(100,212)	(42,975)
Provision for WPPF		244,135	-
Workers' welfare fund		344,308	-
Finance cost		16,473,031	14,152,987
		-----	-----
Cash provided by operating activities before working capital changes		44,945,817	50,467,934
(Increase)/decrease in current assets	14	(47,930,483)	(61,511,832)
Increase/(decrease) in current liabilities	14	60,895,413	10,514,708
		-----	-----
		57,910,747	(529,190)
Finance cost		(16,039,768)	(13,378,849)
Staff benefits		(1,004,300)	(985,324)
Long term Deposit		-	40,000
Payment of Workers' profit participation fund		(4,339,483)	-
Gratuity Paid		(521,814)	-
Taxes paid		(5,059,337)	(4,157,980)
		-----	-----
Net cash inflow from operating activities		30,946,045	(19,011,343)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(2,524,039)	(4,821,103)
Profits received on bank accounts		143,705	42,975
Proceeds from sale of fixed assets		15,000	-
Net cash used in investing activities		(2,365,334)	(4,778,128)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts / (Re-payment) of Morabaha arrangement		(30,102,572)	5,671,886
Receipts / (Re-payment) of Diminishing Mushareqa		(7,488,576)	(14,627,994)
Loan re-payment to related parties		(10,200,000)	500,000
Dividends paid		(26,565)	-
Net cash inflow from/(used in) financing activities		(47,817,713)	(8,456,108)
		-----	-----
Net (decrease)/increase in cash and cash equivalents		(19,237,002)	(32,245,579)
Cash and cash equivalents at beginning of the period		29,971,577	42,264,953
		-----	-----
Cash and cash equivalents at end of the period		10,734,575	10,019,374
		=====	=====

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
NOTES TO THE ACCOUNTS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019 (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, 2019.

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

	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	----- (Rupees) -----	
4. TANGIBLE FIXED ASSETS		
Net book value (NBV) at the beginning of the period	390,637,695	409,427,793
Add: Additions to tangible fixed assets	4.1 2,524,039	44,220,441
Less: Disposals during the period (NBV)	4,947	92,850
Depreciation charged during the period	16,425,117	62,917,689
	16,430,064	63,010,539
Net book value (NBV) at the closing of the period	376,731,670	390,637,695
Capital work-in-progress	-	-
	376,731,670	390,637,695
4.1 ADDITIONS		
Land and Building on leasehold land	587,767	1,529,700
Office premises - SF/96	-	108,274
Plant and machinery	1,922,400	28,811,699
Electrification - Factory building	-	11,636,818
Furniture, fixtures and office equipments	-	213,960
Vehicles	-	1,897,990
Computers	13,872	22,000
	2,524,039	44,220,441

5 INVESTMENTS

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

	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	----- (Rupees) -----	
6. STOCK-IN-TRADE		
Raw and packing material		
- in hand	87,282,081	131,551,556
- in transit	-	17,049,282
	-----	-----
	87,282,081	148,600,838
Work-in-process	44,342,729	42,220,855
Finished goods	83,639,161	21,400,557
Waste stock	1,447,825	1,920,275
	-----	-----
	216,711,796	214,142,525
	=====	=====
7. TAXATION - NET		
Advance income tax	5,059,366	17,422,908
Provision for Taxation	(6,201,713)	(22,146,839)
Income Tax Refundable	44,596,533	44,596,533
	-----	-----
	43,454,187	39,872,602
	=====	=====
8. NON CURRENT LIABILITY - secured		
Diminishing Mushreka from a commercial bank	70,139,098	126,429,252
Add: Fresh borrowings (net of repayments)	(7,488,576)	(56,290,154)
	-----	-----
	62,650,522	70,139,098
Less: Current portion	(24,178,704)	(25,622,593)
	-----	-----
	38,471,818	44,516,505
	=====	=====
9. DEFERRED LIABILITIES		
Provision for compensated absences	9.1 940,896	1,945,196
Deferred taxation	9.2 32,518,908	30,529,207
Staff retirement benefits	9.3 21,305,138	21,305,138
	-----	-----
	54,764,942	53,779,541
	=====	=====
9.1 Provision for compensated absences		
Balance at beginning of the year	1,945,196	1,910,932
Charge for the year	-	1,319,215
Benefits paid during the year	(1,004,300)	(1,284,951)
	-----	-----
Balance at end of the year	940,896	1,945,196
	=====	=====
9.2 Deferred taxation		
Deferred tax (asset) / liability on account of:		
- accelerated depreciation	33,226,366	31,236,665
Remeasurement of defined benefit plans - O.C.I component	(707,458)	(707,458)
	-----	-----
	32,518,908	30,529,207
	=====	=====
9.3 Staff retirement benefits		
Balance sheet Reconciliation		
Present value of defined benefit obligation	(78,909,493)	(78,909,493)
Fair value of plan assets	57,604,355	57,604,355
	-----	-----
	(21,305,138)	(21,305,138)
	=====	=====

10. SHORT-TERM MURABAHA ARRANGEMENT - secured		
From commercial banks	410,488,437	440,591,009
	=====	=====
11 CONTINGENCIES AND COMMITMENTS		
11.1 Contingencies		
There were no major changes in the contingencies as reported in the financial statements for the year ended June 30, 2019.		
11.2 Commitments		
Custom duty and income tax on stock in transit	49,421	2,160,819
	=====	=====
Letter of guarantee issued by a commercial bank	24,056,478	24,056,478
	=====	=====
Irrevocable letter of credits	54,099,633	64,065,814
	=====	=====
	September 30,	September 30,
	2019	2018
	----- Rupees -----	
12 COST OF SALES		
Opening stock finished goods and waste	23,320,832	75,530,504
Cost of goods manufactured	443,260,183	450,308,877
Closing stock finished goods and waste	(85,086,986)	(65,965,010)
	-----	-----
	381,494,029	459,874,371
	=====	=====
13 EARNING PER SHARE - BASIC AND DILUTED		
Profit after taxation	Rupees 683,652	15,193,062
Issued ordinary shares	8,593,750	8,593,750
Basic and diluted earnings per share	Rupees 0.08	1.77
	=====	=====
14 WORKING CAPITAL CHANGES		
Decrease/(Increase) in current assets		
Stock-in-trade	(2,569,271)	26,123,462
Trade debts	(36,055,969)	(85,668,809)
Advances	1,157,200	13,754,827
Deposits and pre-payments	(3,445,371)	(4,769,547)
Other receivables	(7,017,072)	(10,951,765)
	-----	-----
	(47,930,483)	(61,511,832)
	=====	=====
Increase/(decrease) in current liabilities		
Trade and other payables	60,895,413	10,514,708
	=====	=====

15 TRANSACTIONS WITH RELATED PARTIES

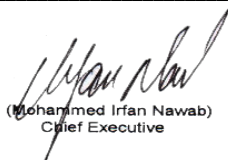
The related parties comprise associated companies, staff benefit funds, directors and key management personnel. The transactions with related parties are as follows:

Relationship	Nature of transaction		
Key management personnel	Remuneration and benefits	7,391,760	6,031,986
Broowings from Directors and family member		1,418,133	8,200,000
Repayment of broowings from Directors and family member		11,618,133	7,700,000
Rent paid to director's family members		1,168,500	1,062,000
Receivable from Sana Logistics Pvt Ltd (Subsidiary)		38,303,706	15,967,203
		=====	=====

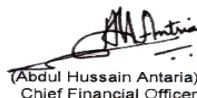
16. GENERAL

16.1 These financial statements were authorised for issue by the Board of Directors on 25th October, 2019.

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


(Mohammed Irfan Nawab)
Chief Executive

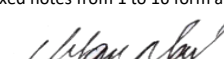

(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)
AS AT 30 SEPTEMBER 2019 (UN-AUDITED)

	NOTE	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
		----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Tangible fixed assets	4	597,527,125	619,693,712
Long-term deposits		4,571,051	4,701,051
		-----	-----
		602,098,176	624,394,763
CURRENT ASSETS			
Stock-in-trade	5	216,711,796	214,142,525
Short term investments		1,705,555	1,705,555
Trade debts- unsecured, considered good		481,002,907	415,531,305
Advances		23,418,539	24289126
Deposits and pre-payments		6,299,414	1,490,580
Other receivables		29,256,670	32,933,012
Taxation - net	6	84,544,095	77,802,722
Cash and bank balances		12,653,141	30,661,897
		-----	-----
		855,592,116	798,556,722
TOTAL ASSETS		1,457,690,292	1,422,951,485
		=====	=====
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 (30-6-2019: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
Reserves		297,548,006	290,938,846
		-----	-----
Equity attributable to the shareholders of holding company		383,485,506	376,876,346
Non controlling Interest	7	32,130,258	29,921,385
		-----	-----
Total equity		415,615,765	406,797,731
NON CURRENT LIABILITIES			
Diminishing Mushareka	8	77,172,814	88,820,098
Long-term liability		24,982,203	27,481,254
Deferred taxation	9	68,462,554	64,894,182
		-----	-----
		170,617,571	181,195,534
CURRENT LIABILITIES			
Trade and other payables		199,807,680	133,247,709
Advances from Customers		109,891,558	104,774,611
Accrued profit on Murabaha/Mushareka arrangements		12,760,056	11,834,668
Borrowings from Directors and family members		76,135,000	79,185,000
Current portion of long term mushareka arrangement	8	46,589,086	48,032,975
Current portion of long-term liability		14,012,825	15,493,369
Unclaimed dividend		1,772,314	1,798,879
Murabaha Arrangements	10	410,488,437	440,591,009
Taxation - net	6	-	-
		-----	-----
		871,456,956	834,958,220
CONTINGENCIES AND COMMITMENTS		11	-
		-----	-----
TOTAL EQUITY AND LIABILITIES		1,457,690,292	1,422,951,485
		=====	=====

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


(Mohammed Irfan Nawab)
Chief Executive

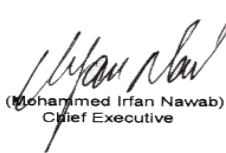

(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer

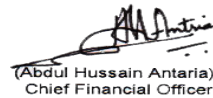
SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	September 30, 2019	September 30, 2018
	----- R u p e e s -----	
Gross Turnover	601,437,441	599,462,824
less		
Sales tax	(78,262,976)	(5,439,036)
Commissions and discounts	-	(1,125,276)
	523,174,465	592,898,512
Cost of sales	(456,811,265)	(528,846,393)
	66,363,200	64,052,119
Gross profit		
Selling and distribution expenses	(5,760,975)	(4,979,338)
Administrative expenses	(18,299,502)	(14,530,870)
Other operating expenses	(727,693)	(1,635,115)
Other operating income / (loss)	1,011,778	4,154,466
	42,586,808	47,061,262
Operating profit		
Finance cost	(18,711,185)	(16,593,074)
	23,875,623	30,468,188
Profit/(Loss) for the period before taxation		
Provision for taxation - current	(10,092,771)	(8,684,155)
- deferred (current)	(4,964,818)	2,582,284
	(15,057,589)	(6,101,871)
Profit after taxation	8,818,034	24,366,317
Attributable to:		
- Shareholders of the Holding Company	6,609,160	21,845,782
- Non - controlling interest	2,208,873	2,520,535
	8,818,034	24,366,317
Earning per share	0.77	2.54

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


(Mohammed Irfan Nawab)
Chief Executive

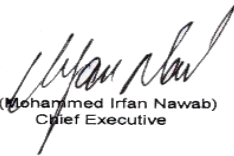

(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer


SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	September 30, 2019	September 30, 2018
	----- Rupees -----	
Net profit for the period	8,818,034	24,366,317
Other comprehensive income	-	-
Total comprehensive income for the period	8,818,034	24,366,317
	=====	=====
Attributable to		
Owners Equity	6,609,160	21,845,782
Non-controlling interest	2,208,873	2,520,535
	8,818,034	24,366,317
	=====	=====

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


(Mohammed Irfan Nawab)
Chief Executive

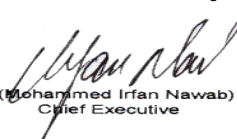

(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer


SANA INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	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, 2018	85,937,500	132,500,000	115,272,329	247,772,329	333,709,829	27,472,072
Profit after taxation for the first quarter ended September 30, 2018	-	-	21,845,782	21,845,782	21,845,782	-
Non-controlling interest arising on a business combination	-	-	-	-	-	2,520,535
Balance as at September 30, 2018	85,937,500	132,500,000	137,118,111	269,618,111	355,555,611	29,992,607
Balance as at July 01, 2019	85,937,500	132,500,000	158,438,846	290,938,846	376,876,346	29,921,385
Profit after taxation for the first quarter ended September 30, 2019	-	-	6,609,160	6,609,160	6,609,160	-
Non-controlling interest arising on a business combination	-	-	-	-	-	2,208,873
Balance as at September 30, 2019	85,937,500	132,500,000	165,048,006	297,548,006	383,485,506	32,130,258

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


(Mohammed Irfan Nawab)
Chief Executive

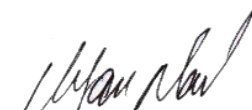

(Mohammed Younus Nawab)
Chairman


(Abdul Hussain Antaria)
Chief Financial Officer


SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Note	September 30, 2019	September 30, 2018
----- Rupees -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation		23,875,623	30,468,188
Add/(Less): Adjustments for:			
Depreciation		23,835,679	23,367,050
Loss/(Gain) on disposal of fixed assets		(887,527)	-
Profit on PLS account		(124,251)	(61,280)
Provision for WPPF		244,135	-
Workers' welfare fund		344,308	-
Finance cost		18,914,041	16,593,074
		-----	-----
Cash provided by operating activities before working capital changes		66,202,008	70,367,032
		-----	-----
(Increase)/decrease in current assets	14	(79,044,210)	(59,609,405)
Increase/(decrease) in current liabilities	14	82,026,203	3,601,978
		-----	-----
		69,184,001	14,359,605
		-----	-----
Finance cost		(18,480,778)	(15,257,070)
Staff benefits		(1,004,300)	(985,324)
Long term Deposit		130,000	40,000
Payment of Workers' profit participation fund		(4,339,483)	-
Gratuity Paid		(521,814)	-
Taxes paid		(12,110,180)	(11,858,711)
		-----	-----
Net cash inflow from operating activities		32,857,446	(13,701,500)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(2,524,039)	(4,866,103)
Profits received on bank accounts		167,744	61,280
Proceeds from sale of fixed assets		1,740,000	-
Net cash used in investing activities		(616,295)	(4,804,823)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts / (Re-payment) of Morabaha arrangement		(30,102,572)	5,671,886
Receipts / (Re-payment) of Diminishing Mushareqa		(13,091,173)	(14,627,994)
Payments of long-term liability		(3,979,597)	(7,255,673)
Dividends paid		(26,565)	-
Loan re-payment to related parties		(3,050,000)	7,425,000
Net cash inflow from/(used in) financing activities		(50,249,907)	(8,786,781)
		-----	-----
Net (decrease)/increase in cash and cash equivalents		(18,008,756)	(27,293,104)
Cash and cash equivalents at beginning of the period		30,661,897	43,690,361
		-----	-----
Cash and cash equivalents at end of the period		12,653,141	16,397,257
		=====	=====

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
NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

1. THE GROUP AND ITS OPERATIONS

The group consist of Sana Industries Ltd. ("The Holding Company") and its subsidry 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, 2019.

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

4. TANGIBLE FIXED ASSETS

Net book value (NBV) at the beginning of the period

Add: Additions to tangible fixed assets

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

	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	----- (Rupees) -----	
	619,194,412	655,597,839
4.1	2,524,039	56,525,630
	854,947	696,961
	23,835,679	92,232,096
	24,690,626	92,929,057
	597,027,825	619,194,412
	499,300	499,300
	597,527,125	619,693,712
	597,527,125	619,693,712
4.1 ADDITIONS		
Land and Building on leasehold land	587,767	2,693,721
Office premises - SF/96	-	108,274
Plant and machinery	1,922,400	31,942,164
Electrification - Factory building	-	12,989,043
Handling equipments	-	6,063,468
Furniture, fixtures and office equipments	-	357,960
Vehicles	-	1,897,990
Computers	13,872	473,010
	2,524,039	56,525,630

	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	----- (Rupees) -----	
5. STOCK-IN-TRADE		
Raw and packing material		
- in hand	87,282,081	131,551,556
- in transit	-	17,049,282
	-----	-----
	87,282,081	148,600,838
Work-in-process	44,342,729	42,220,855
Finished goods	83,639,161	21,400,557
Waste stock	1,447,825	1,920,275
	-----	-----
	216,711,796	214,142,525
	=====	=====
6. TAXATION - NET		
Advance income tax	32,891,382	50,520,841
Provision for Taxation	(10,092,771)	(34,463,600)
Income Tax Refundable	61,745,483	61,745,483
	-----	-----
	84,544,095	77,802,724
	=====	=====
7. INVESTMENTS		
Net Assets (100%)	354,949,878	325,913,252
Non-Controlling Interest (30%)	(15,000,000)	(15,000,000)
	-----	-----
	339,949,878	310,913,252
	=====	=====
Non-Controlling Interest		
Share of NCI (opening)	29,921,385	17,891,465
Share in Profit / (Loss)	2,208,873	12,029,920
	-----	-----
	32,130,258	29,921,385
	=====	=====
8. NON CURRENT LIABILITY - secured		
Diminishing Mushreka from a commercial bank		
Holding Company		
- Habib Metropolitan Bank Limited	62,650,522	68,695,202
- Standard Chartered Bank	-	1,443,896
Subsidiary Company		
- Bank Al Habib Limited	61,111,378	66,713,975
	-----	-----
	123,761,900	136,853,073
Less: Current portion	(46,589,086)	(48,032,975)
	-----	-----
	77,172,814	88,820,098
	=====	=====
9 DEFERRED LIABILITIES		
Provision for compensated absences	9.1 940,896	1,945,196
Deferred taxation	9.2 46,216,520	41,643,848
Staff retirement benefits	9.3 21,305,138	21,305,138
	-----	-----
	68,462,554	64,894,182
	=====	=====

9.1 Provision for compensated absences		
Balance at beginning of the year	1,945,196	1,910,932
Charge for the year	-	1,319,215
Benefits paid during the year	(1,004,300)	(1,284,951)
	-----	-----
Balance at end of the year	940,896	1,945,196
	=====	=====
9.2 Deferred taxation		
Deferred tax (asset) / liability on account of:		
- accelerated depreciation	46,923,979	42,351,306
Remeasurement of defined benefit plans - O.C.I component	(707,458)	(707,458)
	-----	-----
	46,216,520	41,643,848
	=====	=====
9.3 Staff retirement benefits		
Balance sheet Reconciliation		
Present value of defined benefit obligation	(78,909,493)	(78,909,493)
Fair value of plan assets	57,604,355	57,604,355
	-----	-----
	(21,305,138)	(21,305,138)
	=====	=====
10 SHORT-TERM MURABAHA ARRANGEMENT - secured		
From commercial banks	410,488,437	440,591,009
	=====	=====
11. CONTINGENCIES AND COMMITMENTS		
11.1 Contingencies		
There were no major changes in the contingencies as reported in the financial statements for the year ended June 30, 2019.		
11.2 Commitments		
Custom duty and income tax on stock in transit	49,421	129,550
	=====	=====
Letter of gurantee issued by a commercial bank	24,056,478	24,056,478
	=====	=====
Irrevocable letter of credits	54,099,633	76,107,960
	=====	=====
	September 30,	September 30,
	2019	2018
	----- Rupees -----	
12. COST OF SALES		
Opening stock finished goods and waste	23,320,832	75,530,504
Cost of goods manufactured	518,577,419	519,280,899
Closing stock finished goods and waste	(85,086,986)	(65,965,010)
	-----	-----
	456,811,265	528,846,393
	=====	=====
13. EARNING PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to shareholders of the holding company	Rupees 6,609,160	21,845,782
Issued ordinary shares	8,593,750	8,593,750
Basic and diluted earnings per share	Rupees 0.77	2.54
	=====	=====

14. WORKING CAPITAL CHANGES**Decrease/(Increase) in current assets**

Stock-in-trade	(2,569,271)	26,123,462
Trade debts	(65,471,602)	(82,234,000)
Advances	(492,876)	12,114,480
Deposits and pre-payments	(3,445,371)	(4,769,547)
Other receivables	(7,065,090)	(10,843,800)
	(79,044,210)	(59,609,405)

Increase/(decrease) in current liabilities

Trade and other payables	82,026,203	3,601,978
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15. TRANSACTIONS WITH RELATED PARTIES

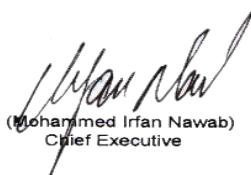
The related parties comprise associated companies, staff benefit funds, directors and key management personnel. The transactions with related parties are as follows:

Relationship	Nature of transaction		
Key management personnel	Remuneration and benefits	7,391,760	10,081,986
Broowings from Directors and family member		1,418,133	39,568,514
Repayment of broowings from Directors and family member		11,618,133	32,143,514
Rent paid to director's family members		1,168,500	1,062,000

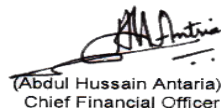
16. GENERAL

16.1 These financial statements were authorised for issue by the Board of Directors on 25th October, 2019.

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