



Quarterly
Accounts
(UN-AUDITED)
As at 30th September, 2020
(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	- Director
Hafiz Mohammed Irfan Nawab	- Chief Executive
Mr.Ibrahim Younus	- Chairman
Mr.Muhammad Faizanullah	- Director
Mr.Ismail Younus	- Director
Ms.Areej Rafique	- Director
Mr.Muhammad Ashfaq	- Director

H.R. & Remuneration Committee

Ms.Areej Rafique	- Chairman
Mr.Syed Amjad Ahmad	- Member
Mr.Muhammad Faizanullah	- Member
Mr.Ismail Younus	- Member

Audit Committee

Mr.Muhammad Ashfaq	- Chairman
Mr.Syed Amjad Ahmad	- Secretary
Mr.Ismail Younus	- Member
Mr.Muhammad Faizanullah	- Member

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
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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

“DIRECTORS' REPORT

The Directors take pleasure in submitting the un-audited accounts, for the First Quarter ended 30th September, 2020, 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 an increase as compared to the 1st quarter of last year. The unconsolidated Gross Profit enhanced by 14.44 million or 37.63%. The unconsolidated Net profit before tax of Rs.8.88 million for the previous corresponding quarter has enhanced to Rs.32.07 million.

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

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

FUTURE PROSPECTS

The Management are optimistic about the future profitability of the Company, due to present market conditions.

DIVIDEND

Your Directors have decided to recommend payment of an Interim Cash Dividend @ Re.1.00 per Share (10%). The distribution this year comes to 28.47% of the current year's after tax earnings.

The Interim Dividend will be paid to the shareholders, whose name appears in the Register of Members on 14/11/2020. The share transfer book of the Company will remain closed from 13/11/2020 to 20/11/2020 (both days inclusive). Transfers received in order at the office of the Registrar, CDC Share Registrar Services Limited at the close of business on 12/11/2020 will be treated in time for the purpose of payment of Dividend to the Transferees.

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: 28th October, 2020.

ڈائریکٹرز رپورٹ

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر ۲ (۵۲) سی ای ر ۲۰۰۱ء بتاریخ ۰۵/۱۱/۲۰۰۱ء کے مطابق ۳۰ ستمبر ۲۰۲۰ء کو ختم ہونے والی پہلی سہ ماہی کے لئے ڈائریکٹرز غیر پرمٹال شدہ اکاؤنٹس جمع کرنے میں خوشی رکھتے ہیں۔

الحمد للہ پہلی سہ ماہی کے نتائج گزشتہ سال کی پہلی سہ ماہی کے مقابلے میں بہتر ہیں گزشتہ سال کی پہلی سہ ماہی میں کل Unconsolidated Gross منافع 14.44 ملین روپے یا % 37.63 سے بڑھا ہے اور UNCONSOLIDATED آمدنی قبل از ٹیکس پچھلے سال کی سہ ماہی میں جو 8.88 ملین روپے تھی وہ بڑھ کر اس سہ ماہی میں 32.07 ملین روپے ہو گئی ہے۔

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

Annex-A	(مجموعی)	(ا) گزشتہ سہ ماہی سے موازنہ:
Annex-B	(مجموعی)	(ب) گزشتہ سال کی اسی سہ ماہی سے 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۔

منافع منقسمہ اور کھاتے بند ہونے کا نوٹس:

آپ کے ڈائریکٹرز نے طے کیا ہے کہ دوران سال Interim کیش منقسمہ 1.00 فی شیئر (10%) کی جائے جو اس سال کے بعد از ٹیکس منافع کا % 28.47 ہے، Interim کیش ڈیویڈنڈ ان شیئر ہولڈرز کو دیا جائے گا جس کا نام 12-11-2020 کو شیئر رجسٹر ڈ میں درج ہوگا شیئر ٹرانسفر بک 13-11-2020 سے 20-11-2020 (دونوں دن سمیت) بند رہے گی، صحیح ٹرانسفر شیئر رجسٹر ار CDC Share Registrar Services Ltd کو 12-11-2020 تک پہنچ جانی چاہئے۔

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: ۲۸ اکتوبر ۲۰۲۰ء

Consolidated comparison with previous quarter

Annexure A

Covering period FROM TO	01-July-2020 30-Sep-2020	01-Apr-2020 30-Jun-2020	VARIATION	
			Amount	Percentage
Turnover - net	555.30	232.09	323.21	139.26%
Cost of Sales	483.54	266.80	216.74	81.24%
Gross Profit	71.76	(34.71)	106.47	-306.75%
G.P.Rate to Sales	12.92%	-14.96%		27.88%
Administrative, Selling, Financial & Other expenses	42.57	37.88	4.69	12.38%
Other income	2.22	0.45	1.76	388.10%
Net Profit / (loss) before taxation	31.41	(72.14)	103.55	-143.55%
Net Profit Rate to Sales	5.66%	-31.08%		
Provision for Taxation	3.40	(31.74)	35.15	-110.72%
Profit / (loss) after Taxation	28.01	(40.39)	68.40	-169.34%
Earning per share (before tax)	3.66	(8.39)	12.05	-143.62%
Earning per share (after tax)	3.34	(4.98)	8.32	-167.07%

Consolidated comparison with corresponding quarter of last year

Annexure B

Covering period FROM TO	01-July-2020 30-Sep-2020	01-July-2019 30-Sep-2019	VARIATION	
			Amount	Percentage
Turnover - net	555.30	523.17	32.13	6.14%
Cost of Sales	483.54	456.81	26.73	5.85%
Gross Profit	71.76	66.36	5.40	8.14%
G.P.Rate to Sales	12.92%	12.68%		
Administrative, Selling, Financial & Other expenses	42.57	43.50	(0.93)	-2.14%
Other income	2.22	1.01	1.21	119.29%
Net Profit / (loss) before taxation	31.41	23.88	7.54	31.57%
Net Profit / (Loss) Rate to Sales	5.66%	4.56%		
Provision for Taxation	3.40	15.06	(11.65)	-77.39%
Profit / (loss) after Taxation	28.01	8.82	19.19	217.63%
Earning per share (before tax)	3.66	2.78	0.88	31.65%
Earning per share (after tax)	3.34	0.77	2.57	333.77%

SANA INDUSTRIES LIMITED
UNCONSOLIDATED INTERIM CONDENSED BALANCE SHEET
AS AT 30 SEPTEMBER 2020 (UN-AUDITED)

	NOTE	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
----- (Rupees) -----			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	351,196,735	355,849,999
Right-of-use asset		26,967,263	27,966,050
Investment property		60,078,881	62,691,909
Investment in subsidiary		35,000,000	35,000,000
Long term deposits and prepayments	5	2,756,051	2,756,051
Deferred tax assets		12,163,695	5,572,305
		-----	-----
		488,162,625	489,836,314
CURRENT ASSETS			
Stock-in-trade	6	191,339,578	201,493,653
Stores and spares		7,933,936	6,828,622
Trade debts- unsecured, considered good		376,521,593	247,906,234
Loans and advances		32,934,104	41,585,391
Deposits and pre-payments		6,919,470	1,715,715
Short term investments		1,705,555	1,705,555
Other receivables		18,824,936	17,796,559
Tax refunds due from government	7	100,346,124	98,454,393
Cash and bank balances		40,428,244	53,312,333
		-----	-----
		776,953,539	670,798,455
TOTAL ASSETS			
		-----	-----
		1,265,116,165	1,160,634,769
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 (30-6-2020: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
Reserves			
		289,748,418	259,564,475
		-----	-----
Shareholder's equity		375,685,918	345,501,975
NON CURRENT LIABILITIES			
Lease liability		30,926,527	30,830,611
Long term financing	8	75,706,470	72,380,513
Deferred liabilities	9	38,476,893	36,914,143
		-----	-----
		145,109,890	140,125,267
CURRENT LIABILITIES			
Trade and other payables		180,053,522	133,202,263
Advances from Customers		78,298,317	66,516,216
Accrued profit on Murabaha/Mushareka arrangements		4,873,097	24,812,736
Loans from directors and associates		13,410,000	15,910,000
Current maturity of lease liability		1,313,120	1,130,437
Current portion of long term loans from a banking company	8	42,928,709	16,731,287
Current maturity of deferred government grant		2,308,225	2,603,988
Unclaimed dividend		1,866,118	1,890,010
Short term arrangements	10	419,269,249	412,210,590
Taxation - net	7	-	-
		-----	-----
		744,320,356	675,007,527
CONTINGENCIES AND COMMITMENTS			
	11	-	-
TOTAL EQUITY AND LIABILITIES			
		-----	-----
		1,265,116,165	1,160,634,769
=====			

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



(Mohammed Irfan Nawab)
Chief Executive



(Mohammed Younus Nawab)
Director



(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	September 30, 2020	September 30, 2019
	----- R u p e e s -----	
Gross Turnover	571,292,483	483,415,601
less		
Sales tax	(87,338,534)	(63,560,079)
Commissions and discounts	(41,293)	-
	-----	-----
Net Turnover	483,912,656	419,855,522
Cost of sales	12 (431,115,603)	(381,494,029)
	-----	-----
Gross profit	52,797,053	38,361,493
Selling and distribution expenses	(4,577,383)	(4,866,400)
Administrative expenses	(13,057,347)	(12,362,142)
Other operating expenses	(2,280,822)	(696,443)
Other operating income	1,869,436	112,739
	-----	-----
Operating profit	34,750,937	20,549,247
Rental Income	5,119,014	4,580,805
Finance cost	(7,802,618)	(16,254,986)
	-----	-----
Profit/(Loss) for the period before taxation	32,067,333	8,875,066
Provision for taxation - current	(8,474,779)	(6,201,713)
- deferred (current)	6,591,390	(1,989,701)
	(1,883,389)	(8,191,414)
	-----	-----
Profit after taxation	30,183,944	683,652
	=====	=====
Earning per share	13 3.51	0.08
	=====	=====

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



(Mohammed Irfan Nawab)
Chief Executive



(Mohammed Younus Nawab)
Director



(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	September 30, 2020	September 30, 2019
	----- R u p e e s -----	
Net profit for the period	30,183,944	683,652
Other comprehensive income	-	-
	-----	-----
	30,183,944	683,652
	=====	=====

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



(Mohammed Irfan Nawab)
Chief Executive



(Mohammed Younus Nawab)
Director



(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total
		General reserve	Un- appropriated profit	Sub Total	
Balance as at July 01, 2019	85,937,500	132,500,000	146,889,565	279,389,565	365,327,065
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
Balance as at July 01, 2020	85,937,500	132,500,000	127,064,475	259,564,475	345,501,975
Profit after taxation for the first quarter ended September 30, 2020	-	-	30,183,943	30,183,943	30,183,943
Balance as at September 30, 2020	85,937,500	132,500,000	157,248,418	289,748,418	375,685,918

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



(Mohammed Irfan Nawab)
Chief Executive



(Mohammed Younus Nawab)
Director




(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
UNCONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	Note	September 30, 2020	September 30, 2019
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation		32,067,333	8,875,066
Add/(Less): Adjustments for:			
Depreciation		20,383,095	19,122,016
Loss/(Gain) on disposal of fixed assets		(920,000)	(12,527)
Profit on PLS account		(199,217)	(100,212)
Provision for WPPF		1,461,457	244,135
Provision for gratuity		2,334,558	-
Workers' welfare fund		819,365	344,308
Finance cost		7,802,618	16,473,031
		-----	-----
Cash provided by operating activities before working capital changes		63,749,209	44,945,817
		-----	-----
(Increase)/decrease in current assets	14	(124,882,339)	(47,930,483)
Increase/(decrease) in current liabilities	14	58,633,359	60,895,413
		-----	-----
		(2,499,771)	57,910,747
		-----	-----
Finance cost		(26,211,386)	(16,039,768)
Staff benefits		(317,352)	(1,004,300)
Payment of Workers' profit participation fund		-	(4,339,483)
Gratuity Paid		(121,907)	(521,814)
Taxes paid		(5,936,019)	(5,059,337)
		-----	-----
Net cash inflow from operating activities		(35,086,435)	30,946,045
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(12,118,016)	(2,524,039)
Profits received on bank accounts		199,217	143,705
Proceeds from sale of fixed assets		920,000	15,000
Net cash used in investing activities		(10,998,799)	(2,365,334)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts / (Re-payment) of Short term arrangement		7,058,659	(30,102,572)
Receipts / (Re-payment) of Diminishing Mushareqa		29,523,379	(7,488,576)
Repayment of lease liability (principal repayment)		(857,000)	
Loan re-payment to related parties		(2,500,000)	(10,200,000)
Dividends paid		(23,892)	(26,565)
Net cash inflow from/(used in) financing activities		33,201,146	(47,817,713)
		-----	-----
Net (decrease)/increase in cash and cash equivalents		(12,884,088)	(19,237,002)
Cash and cash equivalents at beginning of the period		53,312,333	29,971,577
		-----	-----
Cash and cash equivalents at end of the period		40,428,245	10,734,575
		=====	=====

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


(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Director


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
NOTES TO THE ACCOUNTS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020 (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, 2020.

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

	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
	----- (Rupees) -----	
4. TANGIBLE FIXED ASSETS		
Net book value (NBV) at the beginning of the period	355,849,999	390,637,695
Add: Additions to tangible fixed assets	4.1 12,118,016	29,406,083
Less: Disposals during the period (NBV)	1	4,037
Depreciation charged during the period	16,771,279	64,189,742
	16,771,280	64,193,779
	-----	-----
Net book value (NBV) at the closing of the period	351,196,735	355,849,999
	-----	-----
	351,196,735	355,849,999
	=====	=====
4.1 ADDITIONS		
Land and Building on leasehold land	-	1,090,667
Plant and machinery	262,160	27,059,769
Electrification - Factory building	-	550,000
Furniture, fixtures and office equipments	94,013	211,000
Vehicles	11,735,343	170,000
Computers	26,500	324,647
	-----	-----
	12,118,016	29,406,083
	=====	=====

5 INVESTMENTS

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

	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
	----- (Rupees) -----	
6. STOCK-IN-TRADE		
Raw and packing material		
- in hand	73,682,033	72,862,452
- in transit	21,811,731	-
	-----	-----
	95,493,764	72,862,452
Work-in-process	36,443,238	34,610,933
Finished goods	55,576,226	91,199,918
Waste stock	3,826,350	2,820,350
	-----	-----
	191,339,578	201,493,653
	=====	=====
7. TAXATION - NET		
Advance income tax	30,964,905	24,683,565
Provision for Taxation	(8,474,779)	(23,182,967)
Tax refunds due from government	77,855,998	96,953,795
	-----	-----
	100,346,124	98,454,393
	=====	=====
8. NON CURRENT LIABILITY - secured		
Diminishing Mushreka from a commercial bank	61,307,308	52,064,108
Financing under SBP Refinance Scheme for 'Payment of Salaries and Wages	57,327,871	37,047,692
	-----	-----
	118,635,179	89,111,800
Less: Current portion	(42,928,709)	(16,731,287)
	-----	-----
	75,706,470	72,380,513
	=====	=====
9. DEFERRED LIABILITIES		
Provision for compensated absences	513,963	831,315
Deferred taxation	-	-
Deferred government grant	921,669	1376125
Staff retirement benefits	37,041,261	34,706,703
	-----	-----
	38,476,893	36,914,143
	=====	=====

10. SHORT-TERM ARRANGEMENT - secured		
From commercial banks	419,269,249	412,210,590
	=====	=====
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, 2020.		
11.2 Commitments		
Custom duty and income tax on stock in transit	5,201,925	-
	=====	=====
Letter of gurantee issued by a commercial bank	32,088,460	32,088,460
	=====	=====
Irrevocable letter of credits	50,347,038	77,243,846
	=====	=====
	September 30,	September 30,
	2020	2019
	----- Rupees -----	
12 COST OF SALES		
Opening stock finished goods and waste	94,020,268	23,320,832
Cost of goods manufactured	396,497,911	443,260,183
Closing stock finished goods and waste	(59,402,576)	(85,086,986)
	-----	-----
	431,115,603	381,494,029
	=====	=====
13 EARNING PER SHARE - BASIC AND DILUTED		
Profit after taxation	Rupees 30,183,944	683,652
Issued ordinary shares	8,593,750	8,593,750
Basic and diluted earnings per share	Rupees 3.51	0.08
	=====	=====
14 WORKING CAPITAL CHANGES		
Decrease/(Increase) in current assets		
Stock-in-trade	10,154,075	(2,569,271)
Stores and spares	(1,105,314)	
Trade debts	(128,615,359)	(36,055,969)
Advances	8,651,287	1,157,200
Deposits and pre-payments	(5,203,755)	(3,445,371)
Other receivables	(8,763,273)	(7,017,072)
	-----	-----
	(124,882,339)	(47,930,483)
	=====	=====
Increase/(decrease) in current liabilities		
Trade and other payables	58,633,359	60,895,413
	=====	=====

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	7,101,000	7,391,760
Broowings from Directors and family member		3,250,000	1,418,133
Repayment of broowings from Directors and family member		5,750,000	11,618,133
Rent paid to director's family members		857,000	1,168,500
Receivable from Sana Logistics Pvt Ltd (Subsidiary)		16,094,015	38,303,706
		=====	=====

16. GENERAL

16.1 These financial statements were authorised for issue by the Board of Directors on 28th October, 2020.

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



(Mohammed Irfan Nawab)
Chief Executive



(Mohammed Younus Nawab)
Director



(Abdul Hussain Antaria)
Chief Financial Officer


SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)
AS AT 30 SEPTEMBER 2020 (UN-AUDITED)

	NOTE	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
		----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	557,871,305	565,900,908
Right-of-use assets		74,950,436	79,597,185
Long term deposits and prepayments		2,756,051	2,756,051
Deferred tax asset - net		5,443,869	4,228,063
		641,021,661	652,482,207
CURRENT ASSETS			
Stock-in-trade	5	191,339,578	201,493,653
Stores and spares		7,933,936	6,828,622
Short term investments		1,705,555	1,705,555
Trade debts		439,650,357	339,567,837
Loans and advances		35,941,374	41,820,762
Trade deposits and short term prepayments		6,919,470	2,159,357
Other receivables		4,916,331	2,112,791
Tax refunds due from government	6	160,773,174	146,398,709
Cash and bank balances		52,032,198	61,711,634
		901,211,972	803,798,920
TOTAL ASSETS		1,542,233,633	1,456,281,127
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 (30-6-2020: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
Reserves		324,765,099	296,094,422
Equity attributable to the shareholders of holding company		410,702,599	382,031,922
Non controlling interest	7	38,699,833	39,362,086
Total equity		449,402,431	421,394,008
NON CURRENT LIABILITIES			
Long term financing	8	120,222,317	120,640,429
Lease liability		74,922,467	77,870,831
Deferred liabilities	9	38,809,914	37,412,009
		233,954,697	235,923,269
CURRENT LIABILITIES			
Trade and other payables		206,393,505	156,225,052
Advances from Customers		78,298,317	66,516,216
Accrued profit on Murabaha/Mushareka arrangements		4,937,867	24,970,742
Loans from directors and associates		45,845,000	63,345,000
Current portion of long term loans from a banking company	8	85,801,411	57,947,118
Current maturity of lease liability		13,318,771	12,268,197
Current maturity of deferred government grant		3,146,267	3,590,925
Unclaimed dividend		1,866,118	1,890,010
Short term arrangements	10	419,269,249	412,210,590
Taxation - net	6	-	-
		858,876,504	798,963,850
CONTINGENCIES AND COMMITMENTS	11	-	-
TOTAL EQUITY AND LIABILITIES		1,542,233,633	1,456,281,127

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


(Mohammed Irfan Nawab)
Chief Executive


(Mohammed Younus Nawab)
Director


(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	September 30, 2020	September 30, 2019
	----- Rupees -----	
Net profit for the period	28,008,423	8,818,034
Other comprehensive income	-	-
Total comprehensive income for the period	28,008,423	8,818,034
	=====	=====
Attributable to		
Owners Equity	28,670,677	6,609,160
Non-controlling interest	(662,253)	2,208,873
	28,008,423	8,818,034
	=====	=====

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



(Mohammed Irfan Nawab)
Chief Executive



(Mohammed Younus Nawab)
Director



(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total equity attributable to the shareholders of Holding Company	Non-controlling interest
		General reserve	Un- appropriated profit	Sub Total		
Balance as at July 01, 2019	85,937,500	132,500,000	158,438,846	290,938,846	376,876,346	29,921,385
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
Balance as at July 01, 2020	85,937,500	132,500,000	163,594,422	296,094,422	382,031,922	39,362,086
Profit after taxation for the first quarter ended September 30, 2020	-	-	28,670,677	28,670,677	28,670,677	-
Non-controlling interest arising on a business combination	-	-	-	-	-	(662,253)
Balance as at September 30, 2020	85,937,500	132,500,000	192,265,099	324,765,099	410,702,599	38,699,833

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



(Mohammed Irfan Nawab)
Chief Executive



(Mohammed Younus Nawab)
Director



(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

	Note	September 30, 2020	September 30, 2019
----- Rupees -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation		31,412,861	23,875,623
Add/(Less): Adjustments for:			
Depreciation		28,948,915	23,835,679
Loss/(Gain) on disposal of fixed assets		(920,000)	(887,527)
Profit on PLS account		(214,257)	(124,251)
Provision for WPPF		1,461,457	244,135
Provision for gratuity		2,334,558	
Workers' welfare fund		819,365	344,308
Finance cost		14,869,906	18,914,041
		-----	-----
Cash provided by operating activities before working capital changes		78,712,806	66,202,008
		-----	-----
(Increase)/decrease in current assets	14	(99,622,749)	(79,044,210)
Increase/(decrease) in current liabilities	14	53,188,094	82,026,203
		-----	-----
		32,278,151	69,184,001
		-----	-----
Finance cost		(33,371,910)	(18,480,778)
Staff benefits		(317,352)	(1,004,300)
Long term Deposit		-	130,000
Payment of Workers' profit participation fund		-	(4,339,483)
Gratuity Paid		(121,907)	(521,814)
Taxes paid		(9,571,324)	(12,110,180)
		-----	-----
Net cash inflow from operating activities		(11,104,343)	32,857,446
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(13,659,535)	(2,524,039)
Profits received on bank accounts		226,885	167,744
Proceeds from sale of fixed assets		920,000	1,740,000
Net cash used in investing activities		(12,512,651)	(616,295)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts / (Re-payment) of Short term arrangement		7,058,659	(30,102,572)
Receipts / (Re-payment) of Diminishing Mushareqa		32,173,662	(13,091,173)
Payments of long-term liability		(4,737,481)	(3,979,597)
Repayment of lease liability (principal repayment)		(3,033,390)	-
Dividends paid		(23,892)	(26,565)
Loan re-payment to related parties		(17,500,000)	(3,050,000)
Net cash inflow from/(used in) financing activities		13,937,558	(50,249,907)
		-----	-----
Net (decrease)/increase in cash and cash equivalents		(9,679,436)	(18,008,756)
Cash and cash equivalents at beginning of the period		61,711,634	30,661,897
		-----	-----
Cash and cash equivalents at end of the period		52,032,198	12,653,141
		=====	=====

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



(Mohammed Irfan Nawab)
Chief Executive



(Mohammed Younus Nawab)
Director



(Abdul Hussain Antaria)
Chief Financial Officer

SANA INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020 (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 Cold 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, 2020.

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

		September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
		----- (Rupees) -----	
4. TANGIBLE FIXED ASSETS			
Net book value (NBV) at the beginning of the period		563,346,992	619,194,412
Add: Additions to tangible fixed assets	4.1	13,659,535	41,652,380
Less: Disposals during the period (NBV)		1	2,320,995
Depreciation charged during the period		21,689,137	95,178,805
		21,689,138	97,499,800
Net book value (NBV) at the closing of the period		555,317,389	563,346,992
Capital work-in-progress		2,553,916	2,553,916
		557,871,305	565,900,908
4.1 ADDITIONS			
Land and Building on leasehold land		-	1,090,667
Office premises - SF/96		-	-
Plant and machinery		262,160	32,678,267
Electrification - Factory building		1,488,905	550,000
Handling equipments		14,814	1,601,599
Furniture, fixtures and office equipments		131,813	416,200
Vehicles		11,735,343	4,907,000
Computers		26,500	408,647
		13,659,535	41,652,380

	September 30, 2020 (Un-audited) ----- (Rupees) -----	June 30, 2020 (Audited)
5. STOCK-IN-TRADE		
Raw and packing material		
- in hand	73,682,033	72,862,452
- in transit	21,811,731	-
	-----	-----
	95,493,764	72,862,452
Work-in-process	36,443,238	34,610,933
Finished goods	55,576,226	91,199,918
Waste stock	3,826,350	2,820,350
	-----	-----
	191,339,578	201,493,653
	=====	=====
6. TAXATION - NET		
Advance income tax	56,016,453	46,099,808
Provision for Taxation	(10,871,062)	(35,334,841)
Tax refunds due from government	115,627,783	135,633,742
	-----	-----
	160,773,174	146,398,709
	=====	=====
7. INVESTMENTS		
Net Assets (100%)	420,140,726	442,411,166
Non-Controlling Interest (30%)	(15,000,000)	(15,000,000)
	-----	-----
	405,140,726	427,411,166
	=====	=====
Non-Controlling Interest		
Share of NCI (opening)	39,362,086	29,921,385
Share in Profit / (Loss)	(662,253)	9,440,701
	-----	-----
	38,699,833	39,362,086
	=====	=====
8. LONG TERM FINANCING		
Long term liability-Secured and considered good	21,815,766	26,553,247
Diminishing musharaka	90,765,105	96,367,700
Islamic Auto Finance	12,238,652	3,129,773
Financing under SBP Refinance Scheme for Payment of Salaries and Wages	81,204,205	52,536,827
	-----	-----
	206,023,727	178,587,547
Less: Current portion	(85,801,411)	(57,947,118)
	-----	-----
	120,222,317	120,640,429
	=====	=====
9 DEFERRED LIABILITIES		
Deferred government grant	1,254,690	1,873,991
Provision for compensated absences	513,963	831,315
Deferred taxation	-	-
Staff retirement benefits	37,041,261	34,706,703
	-----	-----
	38,809,914	37,412,009
	=====	=====

10 SHORT-TERM ARRANGEMENT - secured		
From commercial banks	419,269,249	412,210,590
	=====	=====
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, 2020.		
11.2 Commitments		
Custom duty and income tax on stock in transit	5,201,925	-
	=====	=====
Letter of gurantee issued by a commercial bank	32,088,460	32,088,460
	=====	=====
Irrevocable letter of credits	50,347,038	77,243,846
	=====	=====
	September 30,	September 30,
	2020	2019
	----- R u p e e s -----	
12. COST OF SALES		
Opening stock finished goods and waste	94,020,268	23,320,832
Cost of goods manufactured	448,923,935	518,577,419
Closing stock finished goods and waste	(59,402,576)	(85,086,986)
	-----	-----
	483,541,627	456,811,265
	=====	=====
13. EARNING PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to shareholders of the holding company	Rupees 28,670,677	6,609,160
Issued ordinary shares	8,593,750	8,593,750
Basic and diluted earnings per share	Rupees 3.34	0.77
	=====	=====

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

Stock-in-trade	10,154,075	(2,569,271)
Stores and spares	(1,105,314)	-
Trade debts	(98,892,020)	(65,471,602)
Advances	6,335,658	(492,876)
Deposits and pre-payments	(5,203,755)	(3,445,371)
Other receivables	(3,176,497)	(7,065,090)
Sales tax refundable	(7,734,896)	
	(99,622,749)	(79,044,210)
	=====	=====

Increase/(decrease) in current liabilities

Trade and other payables	53,188,094	82,026,203
	=====	=====

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	13,236,595	12,791,760
Broowings from Directors and family member		17,000,000	29,268,133
Repayment of broowings from Directors and family member		34,500,000	32,318,133
Rent paid to director's family members		2,142,500	2,337,000
		=====	=====

16. GENERAL

16.1 These financial statements were authorised for issue by the Board of Directors on 28th October, 2020.

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



(Mohammed Irfan Nawab)
Chief Executive



(Mohammed Younus Nawab)
Director



(Abdul Hussain Antaria)
Chief Financial Officer