



Quarterly  
Accounts  
(UN-AUDITED)  
As at 31<sup>st</sup> March, 2020  
(3<sup>rd</sup> 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](mailto:info@sana-industries.com)

# **C O N T E N T S**

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Company Information

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Directors' Report along with annexures

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Condensed Interim Unconsolidated Balance Sheet

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Condensed Interim Unconsolidated Profit and Loss account

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Condensed Interim Unconsolidated Statement of Comprehensive Income

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Condensed Interim Unconsolidated Cash Flow Statement

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Condensed Interim Unconsolidated Changes in Equity

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Notes to the Condensed Interim Unconsolidated Financial Information

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Condensed Interim Consolidated Balance Sheet

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Condensed Interim Consolidated Profit and Loss account

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Condensed Interim Consolidated Statement of Comprehensive Income

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Condensed Interim Consolidated Cash Flow Statement

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Condensed Interim Consolidated Changes in Equity

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Notes to the Condensed Interim Consolidated Financial Information

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## COMPANY INFORMATION

### Board of Directors

Mr.Ibrahim Younus	- Chairman
Mr.Mohammed Younus Nawab	- Director
Mr.Ismail Younus	- Director
Mr.Mohammed Faizanullah	- Director
Mr.Muhammad Ashfaq	- Director
Ms.Areej Rafiq	- Director
Hafiz Mohammed Irfan Nawab	- Chief Executive

### Audit Committee

Mr.Muhammad Ashfaq	- Chairman
Mr.Abdul Hameed	- Secretary
Mr.Ismail Younus	- Member
Mr.Mohammed Faizanullah	- Member

### 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 : <a href="mailto:info@sanaindustries.com">info@sanaindustries.com</a>

### 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

Ms.Areej Rafiq	- Chairman
Mr.Syed Amjad Ahmad	- Member
Mr.Mohammed Faizanullah	- Member
Mr.Ismail Younus	- Member

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

Mr.Abdul Hussain Antaria
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### 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



## DIRECTORS' REPORT

The Directors take pleasure in submitting the un-audited accounts for the third quarter ended 31st March, 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 third quarter of the year have decreased as compared to the corresponding period of last year due to prevailing market conditions. During the period under review:-

- (a) the consolidated Net Profit, before tax, during the 'corresponding nine months period of last year', amounting to Rs.86.50 million, has decreased to a profit of Rs.66.04 million.
- (b) the unconsolidated Net Profit before tax of Rs.34.71 million during the 'corresponding nine months period of last year has decreased to a Net Profit of Rs.27.81 million, before tax.

In order to facilitate our Share Holders, 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 six months period      | Annex-C |
| (d) Comparison of Balance Sheet of the last two quarters | Annex-D |
| (e) Comparison of P&L Account of the last two quarters   | Annex-E |

As required by SECP, unconsolidated as well as consolidated financial statement for the period are also attached.

## FUTURE PROSPECTS

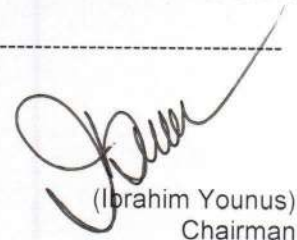
The Corona virus has taken the world with surprise. All supply chains are disturbed. For us, our downstream is mainly affected due to retail and wholesalers being closed. Raw material availability is normal. The Company will see a 60 days (approx) no-sale (negligible-sale) period which will end with the easing of lockdowns in Pakistan.

## 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.

  
(Ibrahim Younus)  
Chairman

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

Covering period FROM TO	01-Jan-2020 31-Mar-2020	01-Oct-2019 31-Dec-2019	VARIATION	
			Amount	Percentage
Turnover - net	462.36	557.55	(95.19)	-17.07%
Cost of Sales	403.39	471.83	(68.44)	-14.50%
Gross Profit	58.97	85.71	(26.75)	-31.20%
G.P.Rate to Sales	12.75%	15.37%		-2.62%
Administrative, Selling, Financial & Other expenses	46.29	59.45	(13.16)	-22.13%
Other income	0.61	2.62	(2.01)	-76.58%
Net Profit before taxation	13.29	28.88	(15.59)	-54.00%
Net Profit Rate to Sales	2.87%	5.18%		
Provision for Taxation	(1.49)	9.12	(10.61)	-116.34%
Profit after Taxation	14.77	19.76	(4.99)	-25.24%
Earning per share (before tax)	1.55	3.36	(1.81)	-53.87%
Earning per share (after tax)	1.72	2.30	(0.58)	-25.22%

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

Covering period FROM TO	01-Jan-2020 31-Mar-2020	01-Jan-2019 31-Mar-2019	VARIATION	
			Amount	Percentage
Turnover - net	462.36	606.68	(144.32)	-23.79%
Cost of Sales	403.39	534.71	(131.31)	-24.56%
Gross Profit	58.97	71.97	(13.00)	-18.07%
G.P.Rate to Sales	12.75%	11.86%		
Administrative, Selling, Financial & Other expenses	46.29	39.97	6.33	15.83%
Other income	0.61	0.06	0.55	930.22%
Net Profit before taxation	13.29	32.06	(18.78)	-58.56%
Net Profit Rate to Sales	2.87%	5.28%		
Provision for Taxation	(1.49)	6.18	(7.67)	-124.08%
Profit after Taxation	14.77	25.88	(11.10)	-42.90%
Earning per share (before tax)	1.55	3.73	(2.18)	-58.45%
Earning per share (after tax)	1.72	3.01	(1.29)	-42.86%

**Comparison with corresponding period of last year**
**Annexure C**

Covering period FROM TO	01-July-2019 31-Mar-2020	01-Jul-2018 31-Mar-2019	VARIATION	
			Amount	Percentage
Turnover - net	1,543.08	1,741.00	(197.92)	-11.37%
Cost of Sales	1,332.04	1,529.27	(197.23)	-12.90%
Gross Profit	211.04	211.73	(0.69)	-0.32%
G.P.Rate to Sales	13.68%	12.16%		
Administrative, Selling, Financial & Other expenses	149.25	129.66	19.59	15.10%
Other income	4.24	4.43	(0.19)	4.20%
Net Profit before taxation	66.04	86.50	(20.46)	23.65%
Net Profit Rate to Sales	4.28%	4.97%		
Provision for Taxation	22.68	21.69	1.00	4.59%
Profit after Taxation	43.36	64.81	(21.46)	-33.10%
Earning per share (before tax)	7.68	10.07	(2.39)	-23.73%
Earning per share (after tax)	5.05	7.54	(2.49)	-33.02%



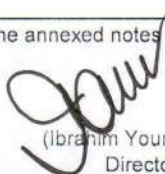
## COMPARISON OF BALANCE SHEET OF THREE QUARTERS

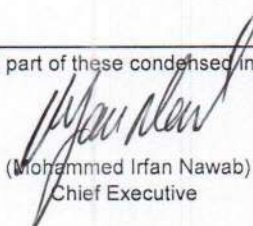
	1ST QUARTER 30-Sep-2019 Rupees	2ND QUARTER 31-Dec-2019 Rupees	3RD QUARTER 31-Mar-2020 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and equipments	597,527,125	588,614,082	581,820,296
Right to use asssers	-	59,842,246	57,802,170
Long-term deposits	4,571,051	4,571,051	2,756,051
	<u>602,098,176</u>	<u>653,027,379</u>	<u>642,378,517</u>
<b>CURRENT ASSETS</b>			
Stock-in-trade	216,711,796	223,624,268	222,680,679
Short term investment	1,705,555	1,705,555	1,705,555
Trade debts- unsecured, considered good	481,002,907	428,202,030	447,849,218
Advances	23,418,539	34,923,151	24,399,492
Deposits and pre-payments	6,299,414	4,898,406	3,014,382
Other receivables	29,256,670	28,708,186	77,240,033
Taxation - net	84,544,095	73,482,709	82,239,233
Cash and bank balances	12,653,141	17,278,705	12,902,852
	<u>855,592,116</u>	<u>812,823,010</u>	<u>872,031,444</u>
<b>TOTAL ASSETS</b>	<u><u>1,457,690,292</u></u>	<u><u>1,465,850,389</u></u>	<u><u>1,514,409,960</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share Capital	85,937,500	85,937,500	85,937,500
Reserves	297,548,006	287,439,098	305,775,869
	<u>383,485,506</u>	<u>373,376,598</u>	<u>391,713,369</u>
Attributable to equity holders of the parent	383,485,506	373,376,598	391,713,369
Non-controlling interest	32,130,258	40,518,685	36,956,824
	<u>415,615,765</u>	<u>413,895,283</u>	<u>428,670,193</u>
<b>NON CURRENT LIABILITIES</b>			
Diminishing Mushareqa	77,172,814	68,401,318	58,634,191
Lease Liability	-	62,019,728	62,708,464
Long term Liabilities	24,982,203	18,567,635	14,304,876
Deffered Liabilities	68,462,554	62,339,508	63,134,896
	<u>170,617,571</u>	<u>211,328,189</u>	<u>169,648,033</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	309,699,238	287,260,339	357,462,708
Accrued profit	12,760,056	14,305,080	16,876,260
Borrowings from Directors and related parties	76,135,000	60,435,000	42,645,000
Current portion of diminishing mushreqa arrangements	46,589,086	47,087,303	46,596,089
Current portion of lease liability	-	1,609,406	1,929,280
Current portion of long term liability	14,012,825	14,175,142	13,544,202
Unclaimed dividend	1,772,314	1,771,130	1,879,875
Morabaha Arrangements	410,488,437	413,983,517	406,023,927
	<u>871,456,956</u>	<u>840,626,917</u>	<u>886,957,341</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,457,690,292</u></u>	<u><u>1,465,850,389</u></u>	<u><u>1,514,409,961</u></u>
Debt Equity Ratio	29.10%	33.80%	28.35%
Current Ratio	0.98	0.97	0.98

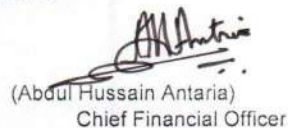
**SANA INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT 31 MARCH 2020 (UN-AUDITED)**

	NOTE	March 31, 2020 (Un-audited) ----- (Rupees) -----	June 30, 2019 (Audited)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property , plant and equipment	5	369,662,160	390,637,695
Right-of-use assets		28,901,085	-
Investment property		65,360,845	73,451,534
Investments	6	35,000,000	35,000,000
Long-term deposits		2,756,051	2,756,051
		501,680,141	501,845,280
<b>CURRENT ASSETS</b>			
Stock-in-trade	7	222,680,679	214,142,525
Short term investment		1,705,555	1,705,555
Trade debts- unsecured, considered good		372,701,478	313,588,277
Loans and advances		20,888,717	23,023,526
Trade deposits and short-term pre-payments		3,014,382	1,354,543
Other receivables		75,259,791	59,105,951
Taxation - net	8	38,543,305	39,872,602
Cash and bank balances		9,280,531	29,971,577
		744,074,437	682,764,555
<b>TOTAL ASSETS</b>		<b>1,245,754,579</b>	<b>1,184,609,836</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000	100,000,000
<b>Issued, subscribed and paid-up capital</b>			
8,593,750 (June 30, 2018: 8,593,750) Ordinary shares of Rs. 10/- each		85,937,500	85,937,500
<b>Reserves</b>		275,496,153	279,389,565
<b>Shareholder's equity</b>		361,433,653	365,327,065
<b>NON CURRENT LIABILITIES</b>			
Diminishing Mushareka	9	28,397,351	44,516,505
Lease liability		31,996,982	-
Deferred Liabilities	10	52,359,368	53,779,541
		112,753,701	98,296,046
<b>CURRENT LIABILITIES</b>			
Trade and other payables		307,358,594	222,593,442
Finance Cost payable		16,763,432	11,770,802
Loan from directors - unsecured		14,910,000	18,610,000
Current portion of diminishing mushareka	9	23,666,757	25,622,593
Current portion of lease liability		964,640	-
Unclaimed dividend		1,879,875	1,798,879
Morabaha Arrangements	11	406,023,927	440,591,009
Taxation - net	8	-	-
		771,567,225	720,986,726
<b>CONTINGENCIES AND COMMITMENTS</b>	12	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,245,754,578</b>	<b>1,184,609,836</b>

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

  
(Ibrahim Younus)  
Director

  
(Mohammed Irfan Nawab)  
Chief Executive

  
(Abdul Hussain Antaria)  
Chief Financial Officer

**Sara Industries Limited**

"Annexure E

**COMPARISON OF PROFIT & LOSS ACCOUNT OF THREE QUARTERS.**

	1ST QUARTER 30-Sep-2019 Rupees	2ND QUARTER 31-Dec-2019 Rupees	3RD QUARTER 31-Mar-2020 Rupees	Y.T.D 31-Mar-2020 Rupees
Gross turnover	601,437,441	654,712,333	543,000,738	1,799,150,511
Sales tax	(78,262,976)	(97,165,891)	(80,639,457)	(256,068,324)
Cost of sales	523,174,465	557,546,442	462,361,281	1,543,082,188
	(456,811,265)	(471,832,931)	(403,394,213)	(1,332,038,409)
Gross profit	66,363,200	85,713,511	58,967,068	211,043,779
G.P.Rate	11.03%	13.09%	11.86%	11.73
Selling and distribution expenses	(5,760,975)	(6,271,089)	(5,118,696)	(17,150,760)
General and administration expenses	(18,299,502)	(22,770,999)	(18,073,412)	(59,143,913)
Other operating expenses	(727,693)	(1,163,482)	(1,659,306)	(3,550,481)
Operating profit	41,575,030	55,507,941	34,115,654	131,198,625
Finance cost	(18,711,185)	(29,247,085)	(21,443,280)	(69,401,550)
Other income	1,011,778	2,619,055	613,259	4,244,092
Profit for the period before taxation	23,875,623	28,879,911	13,285,633	66,041,165
Provision for taxation - current	(10,092,771)	(18,228,505)	(49,773)	(28,371,049)
- prior year	-	(2,068,307)	-	(2,068,307)
- deferred (current)	(4,964,818)	11,180,793	1,539,051	7,755,027
	(15,057,589)	(9,116,019)	1,489,278	(22,684,329)
Profit / Loss after taxation	8,818,034	19,763,892	14,774,911	43,356,836
Earning per share before taxation	2.78	3.36	1.55	7.6
Earning per share after taxation	1.03	2.30	1.72	5.0

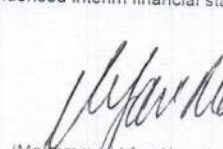


**SANA INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2020 (UN-AUDITED)**

	THREE QUARTERS ENDED		QUARTER ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- Rupees -----		----- Rupees -----	
Turnover - net	1,267,212,120	1,450,968,072	387,204,135	504,731,120
Cost of sales	(1,135,527,416)	(1,322,263,647)	(346,484,424)	(471,103,120)
Gross profit	131,684,704	128,704,425	40,719,711	33,627,999
Selling and distribution expenses	(15,375,128)	(8,534,292)	(4,851,946)	(3,020,000)
Administrative expenses	(43,642,699)	(43,709,320)	(14,027,160)	(10,028,000)
Other operating expenses	(3,352,981)	(4,141,852)	(1,461,806)	(843,000)
Operating profit	69,313,896	72,318,961	20,378,799	19,735,000
Finance costs	(58,952,577)	(45,344,361)	(18,173,132)	(15,980,000)
Other operating income	3,196,540	4,227,512	555,642	410,000
Rental income - net	14,253,100	11,481,324	4,841,059	4,180,000
Profit before taxation	27,810,966	42,683,436	7,602,367	7,975,000
Provision for taxation	(17,635,915)	(16,977,935)	(4,668,444)	(3,343,000)
Deferred taxation	7,415,911	8,812,990	1,795,154	4,363,000
Profit after taxation	17,590,963	34,518,491	4,729,078	8,995,000
Earning per share - Basic and Diluted	2.05	4.02	0.55	1.10

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

  
 (Ibrahim Younus)  
 Director

  
 (Mohammed Irfan Nawab)  
 Chief Executive


  
 (Abdul Hussain Antaris)  
 Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2020 (UN-AUDITED)**

	THIRD QUARTER ENDED		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- Rupees -----		----- Rupees -----	
Profit for the period	17,590,963	34,518,491	4,729,078	8,996,100
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>17,590,963</u>	<u>34,518,491</u>	<u>4,729,078</u>	<u>8,996,100</u>

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

  
 (Ibrahim Younus)  
 Director

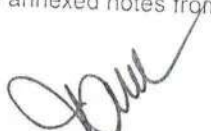
  
 (Mohammed Ifan Nawab)  
 Chief Executive

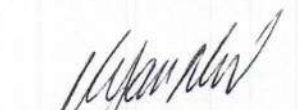
  
 (Abdul Hussain Antaria)  
 Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2020 (UN-AUDITED)**

	March 31, 2020	March 31, 2019
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	27,810,966	42,683,436
Adjustments for:		
Depreciation	56,598,003	55,405,824
Gain on sale of fixed assets	(2,275,963)	-
Provision for gratuity	7,049,531	10,467,810
Provision for workers welfare fund	1,045,709	1,383,490
Provision for workers profit participation fund	1,518,772	2,319,312
Profit on PLS saving accounts	(340,382)	(134,326)
Provision for doubtful receivables	(500,000)	-
Finance costs	58,967,766	46,840,978
Cash generated by operating activities before working capital changes	149,874,402	158,966,524
(Increase) / decrease in current assets	(83,330,225)	(96,785,609)
(Decrease) / Increase in current liabilities	84,765,152	40,334,356
	151,309,329	102,515,271
Finance costs	(47,393,733)	(44,248,829)
Staff benefits paid	(1,913,984)	(1,284,951)
Payment of Workers' profit participation fund	(4,339,483)	(3,263,389)
Income taxes paid	(16,306,617)	(12,668,299)
Net cash inflow from operating activities	81,355,512	41,049,804
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(24,475,701)	(30,679,512)
Profit received from PLS saving accounts	378,595	134,326
Deposits	-	40,000
Proceeds from sale of property, plant and equipment	2,250,000	-
Net cash used in investing activities	(21,847,107)	(30,505,186)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts / (Repayments) under short term morabaha	(34,567,082)	12,991,897
Receipts / (Repayments) under long term musharaka	(18,074,990)	(45,380,626)
Borrowings from related party	(3,700,000)	11,600,000
Lease liability repayments	(2,454,000)	-
Dividends paid	(21,403,379)	(17,029,946)
Net cash inflow from/(used in) financing activities	(80,199,451)	(37,818,675)
Net (decrease) / increase in cash and cash equivalents	(20,691,046)	(27,274,057)
Cash and cash equivalents at beginning of the period	29,971,577	42,264,953
Cash and cash equivalents at the end of the period	9,280,531	14,990,896

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

  
 (Ibrahim Younus)  
 Director

  
 (Mohammed Irfan Nawab)  
 Chief Executive

  
 (Abdul Hussain Antaria)  
 Chief Financial Officer

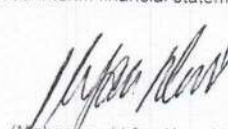


**SANA INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2020**

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Total
		General reserves	Un- appropriated profit	Sub Total	
Balance as at July 01, 2018	85,937,500	132,500,000	112,131,845	244,631,845	330,569,341
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	347,900,331
Balance as at July 01, 2019	85,937,500	132,500,000	146,889,565	279,389,565	365,327,061
Final dividend for the year ended June 30, 2019	-	-	(21,484,375)	(21,484,375)	(21,484,375)
Total comprehensive income for the period	-	-	17,590,963	17,590,963	17,590,963
Balance as at March 31, 2020	85,937,500	132,500,000	142,996,153	275,496,153	361,433,651

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

  
 (Ibrahim Younus)  
 Director

  
 (Mahammed 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 THIRD QUARTER ENDED MARCH 31, 2020 (UN-AUDITED)**

**1. NATURE OF BUSINESS**

Sana Industries Limited (the Company) was incorporated in Pakistan under the Companies Ordinance, 1984 (the Ordinance) [now Companies Act, 2017] and is listed on the Pakistan Stock Exchange. The Company is primarily engaged in the manufacturing and sale of man-made blended yarn.

**1.2** The geographical location and address of company's business units, including plant are as under:

- The registered office of the Company is situated at 33-D-2, Block 6, P.E.C.H.S., Karachi, Pakistan.
- The Company's manufacturing plant / mill is located at Hub trading estate, situated at Tehsil Hub, District Lasbela, Balochistan.

**1.3** These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

**2. STATEMENT OF COMPLIANCE**

This unconsolidated Condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017.

This unconsolidated condensed interim financial information does not include all the information required for preparation of full financial information and should be read in conjunction with the preceding published annual financial statements for the year ended June 30, 2019.

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, 2019 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, 2019.

**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, 2019.

**5. PROPERTY, PLANT AND EQUIPMENT**

		March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
----- (Rupees) -----			
Net book value (NBV) at the beginning of the period		390,637,695	409,427,793
Add: Additions to tangible fixed assets	5.1	24,475,701	44,220,441
Less: Disposals during the period (NBV)		4,037	92,850
Depreciation charged during the period		45,447,199	62,917,689
		45,451,236	63,010,539
Net book value (NBV) at the closing of the period		369,662,160	390,637,695
Capital work-in-progress		-	-
		369,662,160	390,637,695

		March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
		(Rupees)	
<b>5.1 ADDITIONS</b>			
Land and Building on leasehold land		854,067	1,529,700
Office premises - SF/96		-	108,274
Plant and machinery		23,090,987	28,811,699
Electrification - Factory building		-	11,636,818
Furniture, fixtures and office equipments		36,000	213,960
Vehicles		170,000	1,897,990
Computers		324,647	22,000
		<u>24,475,701</u>	<u>44,220,441</u>
		=====	=====
<b>6. INVESTMENTS</b>			
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, 2019, 70 percent shares).			
<b>7. STOCK-IN-TRADE</b>			
Raw and packing material			
- in hand		61,848,383	131,551,556
- in transit		-	17,049,282
		<u>61,848,383</u>	<u>148,600,838</u>
Stores and Spares		5,445,137	
Work-in-process		39,045,145	42,220,855
Finished goods		113,824,413	21,400,557
Waste stock		2,517,600	1,920,275
		<u>222,680,679</u>	<u>214,142,525</u>
		=====	=====
<b>8. TAXATION - NET</b>			
Refundable Income Tax		38,076,810	44,596,533
Advance income tax		16,306,646	17,422,908
Provision for taxation		(15,840,152)	(22,146,839)
		<u>38,543,305</u>	<u>39,872,602</u>
		=====	=====
<b>9. DIMINISHING MUSHAREKA - Secured</b>			
Diminishing Mushareka from a commercial bank		52,064,108	70,139,098
Less: Current portion		(23,666,757)	(25,622,593)
		<u>28,397,351</u>	<u>44,516,505</u>
		=====	=====
9.1	Securities for the above diminishing musharaka facilities include exclusive charge over the assets financed by the respective banks and personal guarantees of the directors.		
<b>10. DEFERRED LIABILITIES</b>			
Provision for compensated absences	10.1	891,403	1,945,196
Deferred taxation	10.2	23,113,296	30,529,207
Staff retirement benefits		28,354,669	21,305,138
		<u>52,359,368</u>	<u>53,779,541</u>
		=====	=====
10.1	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	(1,053,793)	(1,284,951)
	Balance at end of the year	<u>891,403</u>	<u>1,945,196</u>
		=====	=====
10.2	Deferred taxation		
	Deferred tax (asset) / liability on account of:		
	- accelerated depreciation	23,113,296	31,236,665
	Remeasurement of defined benefit plans - O.C.I component	-	(707,458)
		<u>23,113,296</u>	<u>30,529,207</u>
		=====	=====



11. MORABAHA ARRANGEMENT - secured

Commercial banks

Habib Metropolitan Bank Limited  
Standard Chartered Bank

11.1	279,289,265	308,565,339
11.2	126,734,662	132,025,670
	<u>406,023,927</u>	<u>440,591,009</u>

- 11.1 Short-term murabaha had been obtained, under shariah arrangement, for the regular purchases of raw material. The bank has approved a facility of Rs. 300 million (2019: Rs. 300 million). The effective rate of profit on morabaha facility ranges between 14.55 % to 17.13% (2019: 12% to 14%), based on 6 months KIBOR plus 2% per annum (2019: 6 months KIBOR plus 2% per annum). The arrangement is secured against equitable mortgage of factory land, building and plant & machinery (except assets financed under diminishing musharaka 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 murabaha had been obtained, under shariah arrangement, for the regular purchases of raw material. The bank has approved a facility of Rs. 134 million (2019: 134 million). The effective rate of profit on morabaha in facility ranges between 13.81 % to 15.58 % (2019: 8.46 % to 14.43 %) based on 6 months KIBOR + 1.5% (2019: 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 musharaka by another financial institution), located at plot no, 54 Dohi 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 31, 2019.

12.2 Commitments

Custom duty and income tax on stock in transit

	-	2,160,819
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Outstanding letter of credits

	98,190,284	64,965,814
--	------------	------------

Letters of guarantee issued by a commercial bank

	24,056,478	24,056,478
--	------------	------------

13. COST OF SALES

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

	THREE QUARTERS ENDED		QUARTER ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	23,320,832	75,530,504	112,620,139	107,195,909
	-	-	-	-
	1,228,548,598	1,323,262,468	350,206,299	440,438,848
	(116,342,013)	(76,529,325)	(116,342,013)	(76,529,325)
	<u>1,135,527,416</u>	<u>1,322,263,647</u>	<u>346,484,424</u>	<u>471,103,432</u>

14. EARNING PER SHARE - BASIC AND DILUTED

Profit after taxation

Rupees	17,590,963	34,518,491	4,729,078	8,996,167
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Issued ordinary shares

	8,593,750	8,593,750	8,593,750	8,593,750
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Basic and diluted earnings per share

Rupees	2.05	4.02	0.55	1.05
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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:

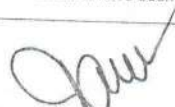
Relationship	Nature of transaction				
Staff retirement benefit plans	Contribution to gratuity fund	7,049,531	3,266,545	2,349,844	1,031,081
Key management personnel	Remuneration and benefits	31,002,261	16,246,952	13,569,659	5,818,198
	Borrowings from Directors' family member	29,461,883	67,700,000	8,111,883	8,600,000
	Repayment of borrowings from Directors' family member	33,161,883	113,030,000	12,811,883	15,400,000
	Rent paid to director's family members	2,454,000	1,932,000	-	966,000
	Rental income from subsidiary company	29,282,570	27,000,000	19,604,291	9,000,000
	Receivable from subsidiary company	36,408,391	3,242,289		

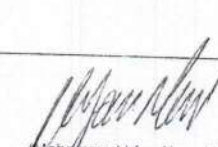
16. DATE OF AUTHORIZATION FOR ISSUE


16.1 These financial statements were authorised for issue on 29 April 2020 by the Board of Directors of the Company.

17. GENERAL

17.1 Amounts have been rounded off to the nearest Rupee.

  
(Ibrahim Younus)  
Director

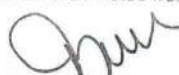
  
(Muhammad Irfan Nawab)  
Chief Executive

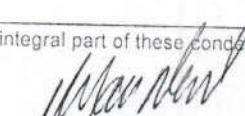
  
(Abdul Hussain Antara)  
Chief Financial Officer


**SANA INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT 31 MARCH 2020.**

	NOTE	March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
----- (Rupees) -----			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	581,820,296	619,693,712
Right-of-use assets		57,802,170	-
Long-term deposits		2,756,051	4,701,051
		642,378,517	624,394,763
<b>CURRENT ASSETS</b>			
Stock-in-trade	7	222,680,679	214,142,525
Short term investment		1,705,555	1,705,555
Trade debts- unsecured, considered good		447,849,218	415,531,305
Loans and advances		24,399,492	24,289,126
Trade deposits and short-term pre-payments		3,014,382	1,490,580
Other receivables		77,240,033	32,933,012
Taxation - net	8	82,239,233	77,802,722
Cash and bank balances		12,902,852	30,661,897
		872,031,444	798,556,722
<b>TOTAL ASSETS</b>		1,514,409,960	1,422,951,485
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000	100,000,000
<b>Issued, subscribed and paid-up capital</b>		85,937,500	85,937,500
8,593,750 (June 30, 2018: 8,593,750) Ordinary shares of Rs. 10/- each		305,775,869	290,938,846
<b>Reserves</b>		391,713,369	376,876,346
Equity attributable to the shareholders of holding Company			
Non controlling interest	6	36,956,824	29,921,385
		428,670,193	406,797,731
<b>NON CURRENT LIABILITIES</b>			
Diminishing Mushareka	9	58,634,191	88,820,098
Long term liabilities		14,304,876	27,481,254
Lease liability		62,708,464	-
Deferred Liabilities	10	63,134,896	64,894,182
		198,782,427	181,195,534
<b>CURRENT LIABILITIES</b>			
Trade and other payables		357,462,708	238,022,320
Accrued profit		16,876,260	11,834,668
Borrowings from Directors		42,645,000	79,185,000
Current portion of diminishing mushareka	9	46,596,089	48,032,975
Current portion of long-term liability		13,544,202	15,493,369
Current portion of lease liability		1,929,280	-
Unclaimed dividend		1,879,875	1,798,879
Morabaha Arrangements	11	406,023,927	440,591,009
Taxation - net	8	-	-
		886,957,341	834,958,220
<b>CONTINGENCIES AND COMMITMENTS</b>	12	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		1,514,409,961	1,422,951,485

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

  
(Ibrahim Younus)  
Director

  
(Mohammed Irfan Nawab)  
Chief Executive

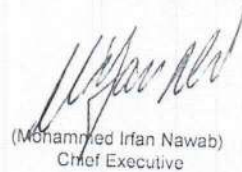
  
(Abdul Hussain Antaria)  
Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE QUARTERS ENDED MARCH 31, 2020**

	NOTE	THREE QUARTERS ENDED		QUARTER ENDED	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		----- Rupees -----		----- Rupees -----	
Turnover - net		1,543,082,188	1,740,099,625	462,361,280	606,676,8
Cost of sales	13	(1,332,038,409)	(1,529,268,371)	(403,394,213)	(534,705,8
Gross profit		211,043,779	211,731,254	58,967,067	71,971,0
Selling and distribution expenses		(17,150,760)	(12,141,952)	(5,118,696)	(3,635,8
Administrative expenses		(59,143,913)	(56,391,535)	(18,073,412)	(14,051,8
Other operating expenses		(3,550,481)	(4,290,442)	(1,659,306)	(874,8
Operating profit		131,198,625	138,907,325	34,115,663	53,408,4
Finance costs		(69,401,550)	(56,837,429)	(21,443,280)	(21,408,6
Other operating income		4,244,092	4,430,275	613,259	59,5
Profit before taxation		66,041,167	86,500,170	13,285,632	32,061,3
Provision for taxation		(30,439,356)	(26,238,316)	(49,773)	(7,933,1
Deferred taxation		7,755,026	4,550,067	1,539,051	1,348,2
Profit after taxation		(22,684,330)	(21,688,249)	1,489,278	(6,184,6
		43,356,837	64,811,921	14,774,910	29,876,5
Earning per share - Basic and Diluted	14	5.05	7.54	1.72	3

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

  
 (Ibrahim Younus)  
 Director

  
 (Mohammed Irfan Nawab)  
 Chief Executive

  
 (Abdul Hussain Antaria)  
 Chief Financial Officer

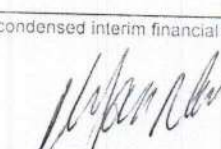


**SANA INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE QUARTERS ENDED MARCH 31, 2020**

	<u>THREE QUARTERS ENDED</u>		<u>QUARTER ENDED</u>	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- Rupees -----		----- Rupees -----	
Profit for the period	43,356,837	64,811,921	14,774,910	25,876
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>43,356,837</u>	<u>64,811,921</u>	<u>14,774,910</u>	<u>25,876</u>
Attributable to				
Owners Equity	36,321,398	56,418,215	18,336,771	21,042,111
Non-controlling interest	7,035,439	8,393,706	(3,561,861)	4,834,111
	<u>43,356,837</u>	<u>64,811,921</u>	<u>14,774,910</u>	<u>25,876</u>

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

  
 (Ibrahim Younus)  
 Director

  
 (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, 2020**

	March 31, 2020	March 31, 2019
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	66,041,167	86,500,170
Adjustments for:		
Depreciation	74,592,117	64,378,754
Loss / (Gain) on sale of fixed assets	(3,150,963)	(149,490)
Provison for gratuity	7,049,531	10,467,810
Provison for workers welfare fund	1,045,709	1,383,490
Provison for workers profit participation fund	1,518,772	2,319,312
Profit on PLS saving accounts	(512,934)	(187,599)
Provision for doubtful receivables	(500,000)	-
Finance costs	69,401,550	56,837,429
Cash generated by operating activities before working capital changes	215,484,948	221,549,876
(Increase) / decrease in current assets	(58,842,835)	(100,438,385)
(Decrease) / Increase in current liabilities	95,225,468	49,386,195
	251,867,582	170,497,686
Finance costs	(58,063,635)	(50,208,962)
Staff benefits paid	(1,913,984)	(1,284,951)
Payment of Workers' profit participation fund	(4,339,483)	(3,263,389)
Income taxes paid	(34,875,864)	(37,484,620)
Net cash inflow from operating activities	152,674,616	78,255,764
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(31,452,508)	(41,423,001)
Profit received from PLS saving accounts	551,147	187,599
Deposits	1,945,000	40,000
Proceeds from sale of property, plant and equipment	3,975,000	753,600
Net cash used in investing activities	(24,981,362)	(40,441,802)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts / (Repayments) under short term morabaha	(34,567,082)	12,991,897
Receipts / (Repayments) under long term musharaka	(31,622,793)	(43,376,580)
Long term liabilities	(15,125,545)	(23,015,324)
Borrowings/(Repayment) from related party	(36,540,000)	10,625,000
Lease liability repayments	(6,193,500)	-
Dividends paid	(21,403,379)	(17,029,946)
Net cash inflow from/(used in) financing activities	(145,452,299)	(59,804,958)
Net (decrease) / increase in cash and cash equivalents	(17,759,044)	(21,980,696)
Cash and cash equivalents at beginning of the period	30,661,897	43,690,361
Cash and cash equivalents at the end of the period	12,902,853	21,699,366

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

  
 (Ibrahim Younus)  
 Director

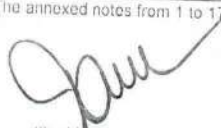
  
 (Mohammed Irfan Nawab)  
 Chief Executive

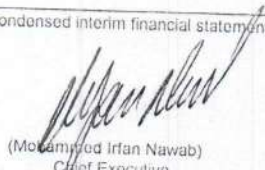
  
 (Abdul Hussain Antaria)  
 Chief Financial Officer

**SANA INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE QUARTERS ENDED MARCH 31, 2020**

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Non- controlling interest	Total
		General reserves	Un- appropriated profit	Sub Total		
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)
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
Balance as at July 01, 2019	85,937,500	132,500,000	158,438,846	290,938,846	376,870,346	29,921,385
Final dividend for the year ended June 30, 2019	-	-	(21,484,375)	(21,484,375)	-	(21,484,375)
Non-controlling interest arising on a business combination	-	-	-	-	-	-
Total comprehensive income for the period	-	-	36,321,398	36,321,398	7,035,439	43,359,837
Balance as at March 31, 2020	85,937,500	132,500,000	173,275,869	305,775,869	383,911,785	51,793,847

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

  
 (Ibrahim Younus)  
 Director

  
 (Mohammad Irfan Nawab)  
 Chief Executive

  
 (Asad Hussain Anaria)  
 Chief Financial Officer



**SANA INDUSTRIES LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE QUARTERS ENDED MARCH 31, 2020**

**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, 2019.

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, 2019 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, 2019.

**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, 2019.

**5. PROPERTY, PLANT AND EQUIPMENT**

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

	March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
	----- (Rupees) -----	
5.1	619,194,412	655,597,839
	29,397,892	56,525,630
	854,037	696,961
	68,471,888	92,232,096
	69,325,925	92,928,057
	579,266,380	619,194,412
	2,553,916	499,300
	581,820,296	619,693,712

	March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
	----- (Rupees) -----	
<b>5.1 ADDITIONS</b>		
Land and Building on leasehold land	854,067	2,693,721
Office premises - SF/96	-	108,274
Plant and machinery	23,090,987	31,942,164
Electrification - Factory building	-	12,989,043
Handling equipments	99,191	6,063,468
Furniture, fixtures and office equipments	36,000	357,960
Vehicles	4,907,000	1,897,990
Computers	410,647	473,010
Plastic Crates		
	<u>29,397,892</u>	<u>56,525,630</u>
<b>6. INVESTMENTS</b>		
Net Assets (100%)	325,958,152	325,913,252
Non-Controlling Interest (30%)	(15,000,000)	(15,000,000)
	<u>310,958,152</u>	<u>310,913,252</u>
Non-Controlling Interest		
Share of NCI (opening)	29,921,385	17,891,465
Share in Profit / (Loss)	7,035,439	12,029,920
	<u>36,956,824</u>	<u>29,921,385</u>
<b>7. STOCK-IN-TRADE</b>		
Raw and packing material		
- in hand	61,848,383	131,551,568
- in transit	-	17,049,282
Stores and spares	61,848,383	148,600,838
Work-in-process	5,445,137	-
Finished goods	39,045,145	42,220,855
Waste stock	113,824,413	21,400,557
	<u>2,517,600</u>	<u>1,920,275</u>
	<u>222,680,679</u>	<u>214,142,525</u>
<b>8. TAXATION - NET</b>		
Refundable income tax	75,848,595	50,520,841
Advance tax	34,761,687	(34,463,600)
Provision for Tax	(28,371,049)	61,745,483
	<u>82,239,233</u>	<u>77,802,724</u>
<b>9. DIMINISHING MUSHAREKA - Secured</b>		
Diminishing Mushareka from a commercial bank	105,230,280	136,853,073
Less: Current portion	(46,596,089)	(48,032,975)
	<u>58,634,191</u>	<u>88,820,098</u>
9.1 Securities for the above diminishing musharaka facilities include exclusive charge over the assets financed by the respective banks and personal guarantees of the directors.		
<b>10. DEFERRED TAX</b>		
Provision for compensated absences	10.1	891,403
Deferred taxation	10.2	33,888,824
Staff retirement benefits		28,354,669
		<u>63,134,896</u>
<b>10 Provision for compensated absences</b>		
Balance at beginning of the year		1,945,196
Charge for the year		1,910,932
Benefits paid during the year		1,319,215
		<u>(1,053,793)</u>
Balance at end of the year		891,403
<b>10 Deferred taxation</b>		
Deferred tax (asset) / liability on account of:		
- accelerated depreciation		33,888,824
Remeasurement of defined benefit plans - O.C.I component		-
	<u>33,888,824</u>	<u>42,351,306</u>
		<u>(707,458)</u>
	<u>33,888,824</u>	<u>41,643,848</u>



**11. MORABAHA ARRANGEMENT - secured**

Commercial banks

Habib Metropolitan Bank Limited  
Standard Chartered Bank

11.1	279,289,265	308,565,339
11.2	126,734,662	132,025,870
	<b>406,023,927</b>	<b>440,591,009</b>

11.1 Short-term murabaha had been obtained, under shariah arrangement, for the regular purchases of raw material. The bank has approved a facility of Rs. 300 million (2019: Rs. 300 million). The effective rate of profit on morabaha facility ranges between 14.55 % to 17.13% (2019: 12% to 14%), based on 6 months KIBOR plus 2% per annum (2019: 6 months KIBOR plus 2% per annum). The arrangement is secured against equitable mortgage of factory land, building and plant & machinery (except assets financed under diminishing musharaka 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 murabaha had been obtained, under shariah arrangement, for the regular purchases of raw material. The bank has approved a facility of Rs. 134 million (2019: 134 million). The effective rate of profit on morabaha in facility ranges between 13.81 % to 15.58 % (2019: 8.46 % to 14.43 %) based on 6 months KIBOR + 1.5% (2019: 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 musharaka 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, 2019.

**12.2 Commitments**

Custom duty and income tax on stock in transit

	-	797,560
Outstanding letter of credits	<b>98,190,284</b>	<b>78,364,165</b>
Letters of guarantee issued by a commercial bank	<b>24,056,478</b>	<b>24,056,478</b>

**13. COST OF SALES**

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

	THREE QUARTERS ENDED		QUARTER ENDED	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees		Rupees	
	23,320,832	75,530,504	112,620,139	107,195,909
	1,425,059,590	1,530,267,192	407,116,087	504,036,286
	(116,342,013)	(76,529,325)	(116,342,013)	(76,529,325)
	<b>1,332,038,409</b>	<b>1,529,268,371</b>	<b>403,394,213</b>	<b>534,702,870</b>

**14. EARNING PER SHARE - BASIC AND DILUTED**

Profit after taxation

Issued ordinary shares

Basic and diluted earnings per share

	<b>43,356,837</b>	<b>64,811,921</b>	<b>14,774,910</b>	<b>25,876,501</b>
	<b>8,593,750</b>	<b>8,593,750</b>	<b>8,593,750</b>	<b>8,593,750</b>
	<b>5.05</b>	<b>7.54</b>	<b>1.72</b>	<b>3.01</b>

**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:

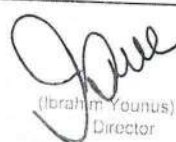
Relationship	Nature of transaction				
Staff retirement benefit plans	Contribution to gratuity fund	7,049,531	10,467,810	2,349,844	
Key management personnel	Remuneration and benefits	49,842,261	45,620,907	19,749,659	21,456,075
Borrowings from Directors' family member		90,461,883	88,768,514	84,601,883	16,600,000
Repayment of borrowings from Directors' family member		127,001,883	78,143,514	49,651,883	27,150,000
Rent paid to director's family members		6,193,500	8,466,492	1,285,500	1,168,500

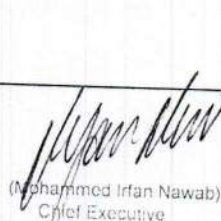
**16. DATE OF AUTHORIZATION FOR ISSUE**

16.1 These financial statements were authorised for issue on **29 April 2020** by the Board of Directors of the Company

**17. GENERAL**

17.1 Amounts have been rounded off to the nearest Rupee.

  
(Ibrahim Younus)  
Director

  
(Mohammed Irfan Nawab)  
Chief Executive

  
(Abdul Hussain Antaria)  
Chief Financial Officer