



CONDENSED INTERIM FINANCIAL
ACCOUNTS
(UN-AUDITED)

For the Period Ended December 31, 2024

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 |
| Mr. Mohammed Irfan Nawab | - Chief Executive |
| Mr. Ibrahim Younus | - Chairman |
| Mr. Ismail Younus | - Director |
| Mr. Muhammad Faizanullah | - Director |
| Shaikh Abdus Sami | - Director |
| Ms. Zainab Hanif Dhedhi | - Director |

H.R. & Remuneration Committee

| | |
|--------------------------|---------------|
| Ms. Zainab Hanif Dhedhi | - Chairperson |
| Syed Amjad Ahmad | - Secretary |
| Mr. Muhammad Faizanullah | - Member |
| Mr. Ismail Younus | - Member |

Audit Committee

| | |
|---------------------------|-------------|
| Shaikh Abdus Sami | - Chairman |
| Mr. Abdul Hussain Antaria | - Secretary |
| Mr. Mohammed Younus Nawab | - Member |
| Mr. Ismail Younus | - Member |

C.F.O./Company Secretary

| | |
|---------------------------|---------------------------|
| Mr. Hammad Fareed | - Chief Financial Officer |
| Mr. Abdul Hussain Antaria | - Company Secretary |

Registered Office

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

Mills

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

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Plot No.180,.
Block A, S.M.C.H.S.,
Karachi.
Phone : 021-34549345-9
Fax : 021-34548210

Legal Advisors

Aftab Ahmed,
Advocate
B-10, 2nd Floor, Shelozon Centre,
Gulshan-e-Iqbal,
Karachi.
Phone : 0300-8355319

Bankers

Bank AL Habib Limited
Bank Alfalah Ltd
Dubai Islamic Bank Limited
Faysal Bank Ltd
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Ltd
National Bank of Pakistan
United Bank Ltd

Share Registrars

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Karachi.
Phone : 021-111-111-500
Fax : 34326027

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

DIRECTORS' REPORT

We are pleased to present the Directors' Report for the half-year ended 31 December 2024. During this period, the company remained focused on realigning its operations to enhance profitability while proactively addressing external cost pressures. These strategic measures reflect our ongoing commitment to sustainable growth and value creation for our shareholders.

Financial Performance

A key aspect of our business strategy was the discontinuation of contracts that had transitioned into loss-making arrangements. While this decision impacted revenue, it has contributed to better margin management in a challenging cost environment. Despite rising energy and raw material costs, the company demonstrated improved profitability, with gross profit (GP) increasing from 7.07% in Q1 to 10.52% in Q2. This reflects a stronger operational performance compared to the previous year's monthly average GP of 7.4%. The company's ability to adapt and optimize resource allocation has enabled it to sustain profitability even amid external pressures.

Persistent cost inflation, particularly in energy expenses, continued to pose challenges throughout the first half of the year, exerting pressure on margins. However, a reduction in finance costs has created an opportunity to lower interest expenses, positively impacting the company's bottom line.

To strengthen the financial position and optimize capital allocation, the Board has approved the sale of investment properties. The proceeds from these sales will be utilized to reduce borrowing levels and fund the installation of a solar power system, reinforcing our long-term cost management strategy and commitment to sustainability.

Following comparisons of operating and financial data have been annexed with this report:

- Comparison with previous quarter (Annex-A)
- Comparison with corresponding quarter of last year (Annex-B)
- Comparison with corresponding six months period (Annex-C)
- Comparison of Balance Sheet of last two quarters (Annex-D)
- Comparison of P&L Account of the last two quarters (Annex-E)

Complying with the requirement of SECP, unconsolidated as well as consolidated financial statements for the period are also attached.

Industry and Economic Overview

Despite signs of recovery in exports, the broader economy continues to face significant challenges. Rising imports of raw materials have reduced domestic value addition, while high energy costs have rendered local manufacturing increasingly uncompetitive. The textile sector, in particular, has been severely affected, with yarn imports surging as local production struggles to compete.

Sales tax disparities have further exacerbated the situation for domestic manufacturers. The FY25 budget removed sales tax exemptions on local inputs, yet imported goods continue to enter the market tax- and duty-free. Additionally, prolonged sales tax refund delays exceeding six months have locked up over Rs. 180 billion in industry liquidity, adding administrative burdens and financial strain.

As a result, yarn imports have quadrupled, and the domestic spinning sector is in crisis, with 40% of industry-capacity already shut down. The repercussions are spreading across the supply chain, particularly impacting SMEs, which are struggling under the weight of an uneven tax structure.

Outlook

Looking ahead, the Board remains confident in the company's resilience and adaptability. We will continue to pursue initiatives that enhance efficiency, mitigate cost pressures, and position the company for sustained growth.

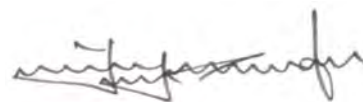
Acknowledgement

We extend our sincere appreciation to our shareholders, customers, and employees for their continued support and commitment.

On behalf of the Board



Muhammad Irfan Nawab
Chief Executive Officer



Muhamad Faizanullah
Director

Karachi: 28 February 2025

ڈائریکٹر رپورٹ

ہم 31 دسمبر 2024ء کو ختم ہونے والے ششماہی کی ڈائریکٹر رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ اس عرصے کے دوران، کمپنی بیرونی لاگت کے دباؤ کو فعال طور پر حل کرتے ہوئے منافع میں اضافہ کرنے کے لیے اپنے آپریشنز کو دوبارہ ترتیب دینے پر مرکوز رہی۔ یہ اسٹریٹجک اقدامات ہمارے شیئر ہولڈرز کے لیے پائیدار ترقی اور قدر پیدا کرنے کے لیے ہماری جاری جدوجہد کی عکاسی کرتے ہیں۔

مالیاتی کارکردگی

ہماری کاروباری حکمت عملی کا ایک اہم پہلو ان معاہدوں کو ختم کرنا تھا جو خسارے کا باعث بنے۔ اگرچہ یہ فیصلہ آمدنی پر اثر انداز ہوا لیکن اس نے ایک چیلنجنگ لاگت کے ماحول میں مارجن کے بہتر انتظام میں معاونت کی۔ توانائی اور خام مال کی بڑھتی ہوئی لاگت کے باوجود، کمپنی نے منافع میں بہتری کا مظاہرہ کیا، جہاں مجموعی منافع (GP) پہلی سہ ماہی میں 7.07 فیصد سے بڑھ کر دوسرے سہ ماہی میں 10.52 فیصد ہو گیا۔ یہ گزشتہ سال کے ماہانہ اوسط مجموعی منافع 7.4 فیصد کے مقابلے میں مضبوط آپریشنل کارکردگی کو ظاہر کرتا ہے۔

کمپنی کی مطابقت پذیری اور وسائل کے مؤثر استعمال کی صلاحیت نے اسے بیرونی دباؤ کے باوجود منافع برقرار رکھنے میں مدد دی ہے۔ مسلسل لاگت کی افراط زر، خاص طور پر توانائی کے زائد اخراجات کی وجہ سے سال کی پہلی ششماہی کے دوران مارجن پر دباؤ رہا۔ تاہم، مالیاتی لاگت میں کمی نے کمپنی کے خسارہ پر مثبت اثر ڈالا۔

مالیاتی پوزیشن کو مضبوط بنانے اور سرمائے کی تخصیص کو بہتر بنانے کے لیے بورڈ نے سرمایہ کاری والی جائیدادوں کی فروخت کی منظوری دی۔ ان کی فروخت سے حاصل ہونے والی آمدنی، قرضوں کی سطح کو کم کرنے، شمسی توانائی کے نظام کی تنصیب کیلئے استعمال کی جائے گی، جس سے ہماری طویل مدتی لاگت کی انتظامی حکمت عملی اور پائیداری کے عزم کو تقویت ملے گی۔

مندرجہ ذیل آپریٹنگ اور مالیاتی اعداد و شمار کے تقابلی جائزے اس رپورٹ کے ساتھ منسلک کیے گئے ہیں:

■ پچھلی سہ ماہی کے ساتھ موازنہ (Annex-A)

■ گزشتہ سال کی اسی سہ ماہی کے ساتھ موازنہ (Annex-B)

■ گزشتہ سال کی اسی چھ ماہ کی مدت کے ساتھ موازنہ (Annex-C)

■ گزشتہ دو سہ ماہیوں کی بیلنس شیٹ کا موازنہ (Annex-D)

■ گزشتہ دو سہ ماہیوں کے P&L اکاؤنٹ کا موازنہ (Annex-E)

SECP کی شرائط کی تعمیل کرتے ہوئے اس مدت کیلئے غیر مدغم شدہ اور مدغم شدہ مالیاتی گوشوارے بھی منسلک کیے گئے ہیں۔

صنعتی و معاشی جائزہ

برآمدات میں بحالی کے آثار کے باوجود، معیشت کو نمایاں چیلنجز کا سامنا ہے۔ خام مال کی بڑھتی ہوئی درآمدات نے قدر میں اضافے کو کم کر دیا ہے، جب کہ توانائی کی زائد لاگت نے مقامی مینوفیکچرنگ کو تیزی سے غیر مسابقتی بنا دیا ہے۔ ٹیکسٹائل کا شعبہ، خاص طور پر شدید متاثر ہوا ہے، جس میں دھاگے کی درآمدات میں اضافہ ہوا ہے جس کی مقامی پیداوار مقابلہ کرنے کے لیے جدوجہد کر رہی ہے۔

سیلز ٹیکس میں عدم مساوات نے ملکی مینوفیکچررز کے لیے مشکلات بڑھادی ہیں۔ مالی سال 2025ء کے بجٹ نے مقامی ان پٹس پر سیلز ٹیکس کی چھوٹ ختم کر دی، پھر بھی درآمدی اشیاء مارکیٹ میں ٹیکس اور ڈیوٹی فری میں داخل ہوتی رہیں۔ مزید برآں، سیلز ٹیکس ریفرنڈم میں چھ ماہ سے زائد تاخیر سے صنعت کے 180 ارب روپے سے زیادہ کی لیکویڈیٹی منجمد ہو گئی جس سے انتظامی بوجھ اور مالی دباؤ میں اضافہ ہو رہا ہے۔

نتیجے کے طور پر، دھاگے کی درآمدات میں چار گنا اضافہ ہوا ہے، اور مقامی اسپننگ سیکٹر بحران کا شکار ہے، ٹیکسٹائل انڈسٹری کی 40 فیصد پیداواری صلاحیت پہلے ہی بند ہے۔ اس کے اثرات پوری سپلائی چین میں پھیل رہے ہیں، خاص طور چھوٹی اور درمیانی صنعتوں پر اثر انداز ہو رہے ہیں، جو ٹیکس کے ناہموار ڈھانچے کے بوجھ تلے جدوجہد کر رہے ہیں۔

مستقبل کا منظر

مستقبل میں بورڈ کمپنی کے کارکردگی میں بہتری کے تسلسل کیلئے پر اعتماد ہے۔ ہم ایسے اقدامات کو جاری رکھیں گے جو کارکردگی کو بڑھانے، لاگت کے دباؤ کو کم کرنے اور کمپنی کو پائیدار ترقی کی طرف گامزن رکھیں۔

اعتراف

ہم اپنے شیئر ہولڈرز، صارفین اور ملازمین کی مسلسل حمایت اور عزم کے لیے ان کی مخلصانہ تعریف کرتے ہیں۔

محمد فیضان اللہ

محمد عرفان نواب

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 28 فروری 2025ء

Annexures to Directors' Report
Consolidated Financial Performance
(Rupees in millions)

Comparison with previous quarter
Annexure A

| Covering period FROM TO | 01-Oct-2024 31-Dec-2024 | 01-Jul-2024 30-Sep-2024 | VARIATION | |
|---|----------------------------|----------------------------|-----------|------------|
| | | | Amount | Percentage |
| Turnover - net | 718 | 1,101 | (383.00) | (34.79)% |
| Cost of Sales | 626 | 1,026 | (400.00) | (38.99)% |
| Gross (loss) / Profit | 92 | 75 | 17.00 | 22.67% |
| G.P.Rate to Sales | 12.81% | 6.81% | | |
| Administrative, Selling, Financial & Other expenses | 126 | 114 | 12.00 | 10.53% |
| Other income | 13 | 2 | 11.00 | (550.00)% |
| Operating loss before tax | (21) | (37) | 16.00 | 43.24% |
| Operating loss to sales ratio | (2.92)% | (3.36)% | | |
| Provision for Levies and Taxation | 12 | - | 12.00 | 0.00% |
| (Loss) / Profit after Taxation | (9) | (37) | 28.00 | (75.68)% |
| Attributable to: | | | | |
| -Shareholders of the holding company | (11.00) | (34.00) | 23.00 | (67.65)% |
| -Non-controlling interest | 2.00 | (3.00) | 5.00 | (166.67)% |
| Loss per share - Holding Co. | (0.55) | (1.70) | 1.15 | (67.65)% |

Comparison with corresponding quarter of last year
Annexure B

| Covering period FROM TO | 01-Oct-2024 31-Dec-2024 | 01-Oct-2023 31-Dec-2023 | VARIATION | |
|---|----------------------------|----------------------------|-----------|------------|
| | | | Amount | Percentage |
| Turnover - net | 718 | 1,359 | (641.00) | (47.17)% |
| Cost of Sales | 626 | 1,221 | (595.00) | (48.73)% |
| Gross (loss) / Profit | 92 | 138 | (46.00) | (33.33)% |
| G.P.Rate to Sales | 12.81% | 10.15% | | |
| Administrative, Selling, Financial & Other expenses | 126 | 160 | (34.00) | (21.25)% |
| Other income | 13 | 0 | 13.00 | 100.00% |
| Operating loss before tax | (21) | (22) | 1.00 | 4.55% |
| Operating loss to sales ratio | (2.92)% | (1.62)% | | |
| Provision for Levies and Taxation | 12 | 1 | 11.00 | 1100.00% |
| (Loss) / Profit after Taxation | (9) | (21) | 12.00 | (57.14)% |
| Attributable to: | | | | |
| -Shareholders of the holding company | (11.00) | (18.00) | 7.00 | (38.89)% |
| -Non-controlling interest | 2.00 | (3.00) | 5.00 | (166.67)% |
| Loss per share - Holding Co. | (0.55) | (0.90) | 0.35 | (38.89)% |

Comparison with corresponding six months period of last year
Annexure C

| Covering period FROM TO | 01-Jul-2024 31-Dec-2024 | 01-Jul-2023 31-Dec-2023 | VARIATION | |
|---|----------------------------|----------------------------|------------|------------|
| | | | Amount | Percentage |
| Turnover - net | 1,819 | 2,855 | (1,036.00) | (36.29)% |
| Cost of Sales | 1,652 | 2,667 | (1,015.00) | (38.06)% |
| Gross (loss) / Profit | 167 | 188 | (21.00) | (11.17)% |
| G.P.Rate to Sales | 9.18% | 6.58% | | |
| Administrative, Selling, Financial & Other expenses | 240 | 243 | (3.00) | (1.23)% |
| Other income | 14 | 3 | 11.00 | (366.67)% |
| Operating loss before tax | (59) | (52) | (7.00) | (13.46)% |
| Operating loss to sales ratio | (3.24)% | (1.82)% | | |
| Provision for Levies and Taxation | 13 | 13.00 | - | 0.00% |
| Loss after Taxation | (46) | (39) | (7.00) | 17.95% |
| Attributable to: | | | | |
| -Shareholders of the holding company | (45.00) | (38.00) | (7.00) | 18.42% |
| -Non-controlling interest | (1.00) | (1.00) | - | 0.00% |
| Loss per share - Holding Co. | (2.25) | (1.90) | (0.35) | 18.42% |

COMPARISON OF BALANCE SHEET OF TWO QUARTERS (CONSOLIDATED)

| | 1ST QUARTER 30-Sep-2024 Rupees | 2ND QUARTER 31-Dec-2024 Rupees |
|---|--------------------------------------|--------------------------------------|
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property, Plant and equipments | 1,391,585,980 | 1,207,471,478 |
| Right to use assers | 46,949,333 | 22,617,073 |
| Intangibles | 488,854 | 488,854 |
| Long term advances, deposits and prepayments | 15,153,051 | 29,046,963 |
| Deferred tax asset - net | 92,153,393 | 112,943,836 |
| | 1,546,330,611 | 1,372,568,204 |
| CURRENT ASSETS | | |
| Stock-in-trade | 183,202,611 | 213,184,795 |
| Stores and spares | 27,395,970 | 24,156,034 |
| Trade debts- unsecured, considered good | 510,378,126 | 401,285,590 |
| Loans and advances | 87,988,159 | 118,873,664 |
| Trade Deposits and pre-payments and other receivables | 138,177,867 | 135,672,144 |
| Short term investment | 4,910,430 | 4,910,430 |
| Other receivables | 126,094,051 | 153,588,825 |
| Tax refunds due from government | 168,989,614 | 128,773,970 |
| Assets held for sale | - | 165,370,297 |
| Cash and bank balances | 42,471,453 | 39,193,944 |
| | 1,289,608,281 | 1,385,009,693 |
| TOTAL ASSETS | 2,835,938,892 | 2,757,577,897 |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Share Capital | 199,650,000 | 199,650,000 |
| Share Premium | 96,250,000 | 96,250,000 |
| General Reserves | 132,500,000 | 132,500,000 |
| Unappropriated Profits | 203,503,232 | 191,523,839 |
| Attributable to equity holders of the parent | 631,903,232 | 619,923,839 |
| Non-controlling interest | 73,378,001 | 74,976,020 |
| | 705,281,233 | 694,899,859 |
| NON CURRENT LIABILITIES | | |
| Lease Liability | 39,377,175 | 28,157,322 |
| Long term financing | 178,756,894 | 168,246,121 |
| Subordinated loan from directors | 20,000,000 | 20,000,000 |
| Deffered Liabilities | 171,474,279 | 163,966,251 |
| | 409,608,348 | 380,369,694 |
| CURRENT LIABILITIES | | |
| Short term borrowings | 888,946,621 | 859,731,259 |
| Trade and other payables | 487,349,459 | 497,436,303 |
| Accrued markup | 34,676,037 | 55,526,378 |
| Loan from directors and sponsors | 115,404,960 | 145,204,960 |
| Unclaimed Dividends | 2,005,663 | 2,005,663 |
| Current portion of lease liability | 17,729,519 | 3,987,294 |
| Current portion of long term financing | 78,640,130 | 74,008,238 |
| Current portion of deferred Liabilities | 96,296,922 | 44,408,249 |
| | 1,721,049,311 | 1,682,308,344 |
| CONTINGENCIES AND COMMITMENTS | - | - |
| TOTAL EQUITY AND LIABILITIES | 2,835,938,892 | 2,757,577,897 |
| Debt Equity Ratio | 36.74% | 35.37% |
| Current Ratio | 0.75 | 0.82 |

COMPARISON OF PROFIT & LOSS ACCOUNT OF TWO QUARTERS (CONSOLIDATED)

| | 1ST QUARTER 30-Sep-2024 Rupees | 2ND QUARTER 31-Dec-2024 Rupees | Y.T.D. 31-Dec-2024 Rupees |
|---------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|
| Turnover-net | 1,100,804,615 | 718,117,776 | 1,818,922,391 |
| Cost of sales | (1,025,773,913) | (626,024,539) | (1,651,798,452) |
| Gross profit / (loss) | 75,030,702 | 92,093,237 | 167,123,939 |
| G.P.Rate | 6.82% | 12.82% | 9.19% |
| General and administration expenses | (37,175,131) | (35,005,748) | (72,180,879) |
| Selling and distribution expenses | (18,651,919) | (26,134,410) | (44,786,329) |
| Other operating expenses | - | - | - |
| Other income | 1,739,573 | 12,556,097 | 14,295,670 |
| Operating profit / (loss) | 20,943,225 | 43,509,176 | 64,452,401 |
| Finance cost | (58,095,123) | (65,295,375) | (123,390,498) |
| Loss for the period before taxation | (37,151,898) | (21,786,199) | (58,938,097) |
| Provision for Levies and Taxation | 372,230 | 12,362,137 | 12,734,367 |
| Loss after taxation | (36,779,668) | (9,424,062) | (46,203,730) |
| Attributable to: | | | |
| - Shareholders of the Holding Company | (34,224,337) | (11,022,081) | (45,246,418) |
| - Non - controlling interest | (2,555,331) | 1,598,019 | (957,312) |
| | (36,779,668) | (9,424,062) | (46,203,730) |
| Earning per share | (1.71) | (0.55) | (2.27) |



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF M/S. SANA INDUSTRIES LIMITED**

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **M/s. Sana Industries Limited** ("the Company") as at **December 31, 2024** and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows and notes thereto for the half yearly period then ended (here-in-after referred to as the "unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

Scope of review


We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2024. Accordingly, we have not reviewed the figures in the condensed interim unconsolidated statement of profit or loss and the condensed interim unconsolidated statement of comprehensive income for the three-month period ended December 31, 2024.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Muhammad Rafiq Dosani**.

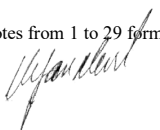

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants


Karachi
Date: February 28, 2025
UDIN: RR2024102107lyENpxYw

Sana Industries Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at December 31, 2024

| | Note | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|--|------|--------------------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 1,028,796,069 | 1,125,607,123 |
| Right-of-use assets | | 22,617,073 | 25,762,759 |
| Investment property | 4 | - | 99,106,612 |
| Investment in subsidiaries | | 94,999,990 | 94,999,990 |
| Long term deposits and prepayments | | 27,338,963 | 13,853,051 |
| Deferred taxation - net | 5 | 112,740,157 | 79,582,764 |
| | | <u>1,286,492,252</u> | <u>1,438,912,299</u> |
| Current assets | | | |
| Stock-in-trade | 6 | 201,493,964 | 256,730,727 |
| Stores and spares | | 24,156,034 | 30,656,119 |
| Loans and advances | 7 | 32,146,329 | 11,557,193 |
| Trade debts - unsecured | 8 | 249,666,266 | 472,864,124 |
| Deposits and short term prepayments | 9 | 135,672,144 | 132,232,247 |
| Other receivables | 10 | 279,704,451 | 130,372,557 |
| Short term investments | | 4,910,430 | 4,910,430 |
| Tax refunds due from government | 11 | 70,285,607 | 69,354,263 |
| Assets held for sale | 12 | 165,370,297 | - |
| Cash and bank balances | 13 | 18,405,691 | 28,797,886 |
| | | <u>1,181,811,213</u> | <u>1,137,475,546</u> |
| Total assets | | <u>2,468,303,465</u> | <u>2,576,387,845</u> |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| <i>Authorized capital</i> | | | |
| 20,000,000 (June 30, 2024: 20,000,000) ordinary shares of Rs 10/- each | | <u>200,000,000</u> | <u>200,000,000</u> |
| Issued, subscribed and paid up capital | | <u>199,650,000</u> | <u>199,650,000</u> |
| <i>Capital reserves</i> | | | |
| Share premium | | 96,250,000 | 96,250,000 |
| <i>Revenue reserves</i> | | | |
| General reserve | | 132,500,000 | 132,500,000 |
| Unappropriated profits | | <u>199,171,498</u> | <u>245,467,046</u> |
| | | <u>331,671,498</u> | <u>377,967,046</u> |
| | | <u>627,571,498</u> | <u>673,867,046</u> |
| Non-current liabilities | | | |
| Lease liability | 14 | 28,157,322 | 30,735,132 |
| Long term financing | 15 | 168,246,121 | 199,674,758 |
| Deferred liabilities | 16 | 150,257,075 | 152,779,555 |
| | | <u>346,660,518</u> | <u>383,189,445</u> |
| Current liabilities | | | |
| Short term borrowings | 17 | 814,231,257 | 814,396,265 |
| Trade and other payables | 18 | 415,282,516 | 513,301,777 |
| Loan from directors | | 69,300,000 | 19,500,000 |
| Accrued markup | 19 | 53,792,642 | 41,762,069 |
| Current maturity of lease liability | | 21,042,884 | 15,957,545 |
| Current portion of long term financing | | 74,008,238 | 78,365,130 |
| Current maturity of deferred government grant | | 12,754,937 | 14,259,585 |
| Current maturity of gas infrastructure development cess | | 31,653,312 | 19,783,320 |
| Unclaimed dividend | | 2,005,663 | 2,005,663 |
| | | <u>1,494,071,449</u> | <u>1,519,331,354</u> |
| Contingencies and commitments | 20 | | |
| Total equity and liabilities | | <u>2,468,303,465</u> | <u>2,576,387,845</u> |

The annexed notes from 1 to 29 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer


Sana Industries Limited


Condensed Interim Unconsolidated Statement of Profit or Loss


For the half year and quarter ended December 31, 2024 (unaudited)

| | | Half year ended | | Quarter ended | |
|------------------------------------|------|----------------------|-------------------|----------------------|----------------------|
| | | | (Restated) | | (Restated) |
| | Note | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | | Rupees | | | |
| Revenue - net | 21 | 1,187,608,580 | 1,940,019,994 | 452,958,562 | 977,476,525 |
| Cost of sales | 22 | (1,088,048,131) | (1,755,677,032) | (405,319,079) | (848,611,371) |
| Gross profit | | 99,560,449 | 184,342,962 | 47,639,483 | 128,865,154 |
| Administrative expenses | | (49,954,106) | (50,870,850) | (24,875,648) | (27,497,985) |
| Distribution expenses | | (15,798,009) | (20,765,025) | (8,779,584) | (11,954,560) |
| | | (65,752,115) | (71,635,875) | (33,655,232) | (39,452,545) |
| Operating profit | | 33,808,334 | 112,707,087 | 13,984,251 | 89,412,609 |
| Finance costs | 23 | (114,820,728) | (132,957,240) | (63,158,109) | (77,054,753) |
| Other income | 24 | 17,010,501 | 3,265,348 | 15,391,128 | (1,856,292) |
| | | (97,810,227) | (129,691,892) | (47,766,981) | (78,911,045) |
| Loss before levies and taxation | | (64,001,893) | (16,984,805) | (33,782,730) | 10,501,564 |
| Levies | | (15,136,814) | (24,363,611) | (5,904,380) | - |
| Loss before taxation | | (79,138,707) | (41,348,416) | (39,687,110) | 10,501,564 |
| Taxation - net | 25 | 32,843,159 | 32,488,367 | 20,476,209 | (3,489,137) |
| Loss after taxation | | (46,295,548) | (8,860,049) | (19,210,901) | 7,012,427 |
| Loss per share - basic and diluted | | (2.32) | (0.44) | (0.96) | 0.35 |

The annexed notes from 1 to 29 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income

For the half year and quarter ended December 31, 2024 (unaudited)

| | Half year ended | | Quarter ended | |
|--|----------------------------|------------------------------------|----------------------------|------------------------------------|
| | December 31, 2024 | (Restated) December 31, 2023 | December 31, 2024 | (Restated) December 31, 2023 |
| | Rupees | | | |
| Loss after taxation | (46,295,548) | (8,860,049) | (19,210,901) | 7,012,427 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | <u>(46,295,548)</u> | <u>(8,860,049)</u> | <u>(19,210,901)</u> | <u>7,012,427</u> |

The annexed notes from 1 to 29 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Changes in Equity

For the half year ended December 31, 2024 (unaudited)

| | Issued, subscribed and paid up capital | Capital reserve Share premium | Revenue reserves | | Total |
|---|--|---|---------------------|---------------------------|--------------|
| | | | General reserves | Unappropriated profits | |
| | Rupees | | | | |
| Balance as at June 30, 2023 (as previously reported) | 199,650,000 | 96,250,000 | 132,500,000 | 16,944,061 | 445,344,061 |
| Effect of correction of prior period errors | - | - | - | 289,955,454 | 289,955,454 |
| Balance as at June 30, 2023 (restated) | 199,650,000 | 96,250,000 | 132,500,000 | 306,899,515 | 735,299,515 |
| <i>Total comprehensive loss for the half year ended December 31, 2023</i> | | | | | |
| - Loss after taxation (restated) | - | - | - | (8,860,049) | (8,860,049) |
| - Other comprehensive income | - | - | - | - | - |
| | - | - | - | (8,860,049) | (8,860,049) |
| Balance as at December 31, 2023 (restated) | 199,650,000 | 96,250,000 | 132,500,000 | 298,039,466 | 726,439,466 |
| Balance as at June 30, 2024 | 199,650,000 | 96,250,000 | 132,500,000 | 245,467,046 | 673,867,046 |
| <i>Total comprehensive loss for the half year ended December 31, 2024</i> | | | | | |
| - Loss after taxation | - | - | - | (46,295,548) | (46,295,548) |
| - Other comprehensive income | - | - | - | - | - |
| | - | - | - | (46,295,548) | (46,295,548) |
| Balance as at December 31, 2024 | 199,650,000 | 96,250,000 | 132,500,000 | 199,171,498 | 627,571,498 |

The annexed notes from 1 to 29 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Sana Industries Limited

Condensed Interim Unconsolidated Statement of Cash Flows

For the half year ended December 31, 2024 (unaudited)

| | | Half year ended | |
|--|------|---------------------|---------------------------------|
| | | December 31, 2024 | (Restated) December 31, 2023 |
| | | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | Note | | |
| Loss before levies and taxation | | (64,001,893) | (16,984,805) |
| Adjustments for: | | | |
| - Depreciation on property, plant and equipment | 3 | 32,431,369 | 31,736,134 |
| - Depreciation on right-of-use assets | 4 | 3,145,686 | 4,293,793 |
| - Depreciation on investment property | | 2,291,040 | 2,303,559 |
| - Provision for staff retirement benefits | | 10,862,035 | 11,126,025 |
| - Amortization of deferred government grant | 24 | (7,470,304) | (8,466,811) |
| - Unrealized gain on re-measurement of short term investments | | - | (40,234) |
| - Dividend income | 24 | - | (258,194) |
| - Profit on bank deposits | 24 | (861,433) | (1,230,046) |
| - Increase in provision for expected credit losses | | 653,054 | - |
| - Finance costs | 23 | 122,291,032 | 141,424,051 |
| | | 163,342,479 | 180,888,277 |
| Cash generated from operating activities before working capital changes | | 99,340,586 | 163,903,472 |
| Effect on cash flow due to working capital changes | | | |
| (Increase)/decrease in current assets | | | |
| - Stock-in-trade | | 55,236,763 | (16,057,614) |
| - Stores and spares | | 6,500,085 | (8,027,410) |
| - Trade debts | | 222,544,804 | 28,458,367 |
| - Loan and advances | | (20,589,136) | 1,486,512 |
| - Trade deposits and short term prepayments | | (3,439,897) | (4,009,589) |
| - Other receivables | | (149,331,894) | (19,924,162) |
| - Sales tax refundable | | (1,879,856) | 11,642,003 |
| Increase/(decrease) in current liabilities | | | |
| - Trade and other payables | | (95,519,261) | 34,194,990 |
| | | 13,521,608 | 27,763,097 |
| Cash generated from operations | | 112,862,194 | 191,666,569 |
| - Income tax paid | | (14,502,536) | (24,017,716) |
| - Contribution to staff retirement benefits fund | | - | (600,000) |
| - Payment of Workers' Welfare Fund | | (2,500,000) | - |
| - Long term advance- net | | (13,485,912) | - |
| - Finance cost paid | | (102,267,075) | (136,671,645) |
| Net cash (used in) / generated from operating activities | | (19,893,329) | 30,377,208 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of property, plant and equipment | | (4,175,040) | (17,438,541) |
| Profit received on bank deposits | | 861,433 | 1,230,046 |
| Net cash used in investing activities | | (3,313,607) | (16,208,495) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long term musharaka | | (16,706,783) | (15,852,156) |
| Repayment of loan against Islamic temporary economic refinance | | (19,078,746) | (20,186,713) |
| Repayment of lease liability- principal portion | | (1,034,722) | - |
| Short term borrowings - net | | (165,008) | (14,482,623) |
| Loan received from directors and sponsors | | 54,000,000 | 14,800,000 |
| Loan repaid to directors and sponsors | | (4,200,000) | (9,000,000) |
| Net cash generated from / (used in) from financing activities | | 12,814,741 | (44,721,492) |
| Net decrease in cash and cash equivalents | | (10,392,195) | (30,552,779) |
| Cash and cash equivalents at the beginning of the period | | 28,797,886 | 57,742,190 |
| Cash and cash equivalents at the end of the period | | 18,405,691 | 27,189,411 |

The annexed notes from 1 to 29 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Sana Industries Limited ("the Company") is a public listed company incorporated in Pakistan on June 05, 1985 under the Companies Ordinance, 1984 (now repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacturing and sales of man-made blended yarn.

The geographical location of the Company's business units, including plant, are as under:

Head office: The registered office of the Company is situated at 33-D-2, Block 6, P.E.C.H.S, Karachi.

Mill: The mill is located at Hub Industrial Trading Estate, situated at Tehsil Hub, District Lasbela, Baluchistan.

Warehouse: The Company's warehouse is located at SF-96, S.I.T.E, Karachi.

| | | |
|-----|---|------------------|
| 1.2 | The Company has following subsidiaries: | <u>Holding %</u> |
| - | Sana Logistics (Private) Limited | 70% |
| - | Sana Distributors (Private) Limited | 100% |

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, and directives issued under, the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, and directives issued under, the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024.

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

2.2 Basis of measurement

All the items in these interim financial statements have been measured at their historical cost except for:

- (a) The Company's retirement benefits liability under the defined benefit plan which is carried at the present value of the defined benefit obligation less the fair value of the plan assets; and
- (b) Investment in units of open-ended mutual funds which are carried at fair value through profit or loss.

2.3 Functional and presentation currency

Items included in these condensed interim unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Judgements and sources of estimation uncertainty

In preparing these condensed interim unconsolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended June 30, 2024.

2.5 Material accounting policies information

The material accounting policies applied in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2024.

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 | | |
|---|------|--|---|---|--|
| | Note | ----- Rupees ----- | | | |
| 3. PROPERTY, PLANT AND EQUIPMENT | | | | | |
| Operating fixed assets | 3.1 | 1,028,796,069 | 1,125,607,123 | | |
| | | (Un-audited) December 31, 2024 | (Audited) (Restated) June 30, 2024 | | |
| | Note | ----- Rupees ----- | | | |
| 4. INVESTMENT PROPERTY | | | | | |
| Balance at the beginning of the period/ year | | 99,106,612 | 103,688,692 | | |
| Depreciation charged for the period/ year | | (2,291,040) | (4,582,080) | | |
| | | 96,815,572 | 99,106,612 | | |
| Less: Classified as held for sale | 12 | (96,815,572) | - | | |
| Balance at the end of the period/ year | | - | 99,106,612 | | |
| 5. DEFERRED TAXATION- net | | | | | |
| | | Balance at the beginning of the period | (Charge) / income recognized in statement of profit or loss | (Charge) / income recognized in other comprehensive income | Balance at the end of the period |
| | | | | | ----- (Rupees) ----- |
| Deferred tax assets arising from: | | | | | |
| - Minimum tax | | 89,279,037 | 15,136,814 | - | 104,415,851 |
| - Provision for staff retirement benefits | | 21,638,532 | 3,149,990 | - | 24,788,522 |
| - Provision for slow moving items | | 190,775 | - | - | 190,775 |
| - Unused tax losses | | 117,304,000 | 17,288,718 | - | 134,592,718 |
| - Gas infrastructure cess liability | | 19,715,474 | 1,290,829 | - | 21,006,303 |
| - Allowance for expected credit losses | | 819,035 | 189,385 | - | 1,008,420 |
| - Lease liability - net | | 6,069,676 | 1,639,433 | - | 7,709,109 |
| - Deferred government grant | | 12,824,508 | (2,166,389) | - | 10,658,119 |
| | | 267,841,037 | 36,528,780 | - | 304,369,817 |
| Deferred tax liability arising from: | | | | | |
| - Accelerated tax depreciation | | (172,211,436) | (5,453,071) | - | (177,664,507) |
| - Islamic Temporary Economic Refinance Facility | | (16,046,837) | 2,081,684 | - | (13,965,153) |
| | | (188,258,273) | (3,371,387) | - | (191,629,660) |
| | | 79,582,764 | 33,157,393 | - | 112,740,157 |

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|------|-----------------------------------|-------------------------------|
| | Note | Rupees | |
| 6. STOCK-IN-TRADE | | | |
| Raw materials | | | |
| - in hand | | 64,161,650 | 66,763,052 |
| - in transit | | 24,578,814 | 60,151,481 |
| | | <u>88,740,464</u> | <u>126,914,533</u> |
| Packing materials | | 9,350,094 | 10,387,464 |
| Work in process | | 28,450,740 | 27,929,539 |
| Finished goods | | 66,076,531 | 87,065,991 |
| Waste material | | 8,876,135 | 4,433,200 |
| | | <u>201,493,964</u> | <u>256,730,727</u> |
| 7. LOANS AND ADVANCES | | | |
| Loans to employees | | 2,648,828 | 3,843,640 |
| Advances: | | | |
| - to contractors | | 705,000 | 600,000 |
| - to suppliers | | 28,792,501 | 7,113,553 |
| | | <u>29,497,501</u> | <u>7,713,553</u> |
| | | <u>32,146,329</u> | <u>11,557,193</u> |
| 8. TRADE DEBTS - Unsecured | | | |
| Trade debts - gross | | 253,143,577 | 475,688,381 |
| Less: provision for expected credit losses | | (3,477,311) | (2,824,257) |
| Trade debts - net | | <u>249,666,266</u> | <u>472,864,124</u> |
| 9. DEPOSITS AND SHORT TERM PREPAYMENTS | | | |
| <i>Deposits</i> | | | |
| - Sui Southern Gas Company Limited | | 130,413,213 | 130,413,213 |
| -Others | | 581,460 | 572,132 |
| | | <u>130,994,673</u> | <u>130,985,345</u> |
| <i>Prepayments</i> | | | |
| -Insurance | | 4,677,471 | 1,246,902 |
| | | <u>135,672,144</u> | <u>132,232,247</u> |
| 10. OTHER RECEIVABLES | | | |
| <i>Receivable from</i> | | | |
| Sana Logistics (Private) Limited | | 107,371,877 | 95,704,575 |
| Shams yarn merchant | 10.1 | 137,694,572 | - |
| Lasbella Chamber of Commerce and Industry | | 33,196,021 | 33,196,021 |
| Sui Southern Gas Company Limited (SSGC) | | 1,000,000 | 1,000,000 |
| | | <u>279,262,470</u> | <u>129,900,596</u> |
| Other parties | | 441,981 | 471,961 |

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | |
|--------------------|--------------------|
| <u>279,704,451</u> | <u>130,372,557</u> |
|--------------------|--------------------|

- 10.1** During the period ended December 31, 2024, the Company has entered into an agreement with M/s Shams Yarn Merchant whereby the Company has granted its thirty percent of production capacity to the said party on sharing basis.

Accordingly the Company has recognized receivable in accordance with the agreement whereby the said party shall reimburse the production expenses incurred by the company.

Production expenses reimbursement by the said party are workers' salary, water & gas, security house keeping, fuel and power, repair & maintenance, stores & spares.

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|--|-----------------------------------|-------------------------------|
| | Rupees | |
| 11. TAX REFUNDS DUE FROM GOVERNMENT | | |
| Income tax refundable | 54,051,112 | 54,999,624 |
| Sales tax refundable | 16,234,495 | 14,354,639 |
| | <u>70,285,607</u> | <u>69,354,263</u> |
| 12. ASSETS HELD FOR SALE | | |
| Office premises SF/96 | 286,413 | - |
| Plant and machinery | 68,268,312 | - |
| Leasehold land | 6,812,875 | - |
| Building on leasehold land | 90,002,697 | - |
| | <u>165,370,297</u> | <u>-</u> |

- 12.1** During the period ended December 31, 2024, the board in their extra ordinary general meeting held on December 13, 2024, decided to dispose its Property named survey No. 54 , classified earlier as investment property which was rented out to its subsidiary M/s Sana logistics Private limited (70% owned subsidiary). Further, the company also disposed its machinery and other items that was rented out to the said subsidiary together with the property.

Subsequent to the period ended December 31, 2024 , the legal and physical possession of the assets are scheduled to be transferred to the buyer by June 30, 2025.

The disposal is expected to qualify for recognition as a completed sale in due course of time. In addition, since all other criteria for classification as held for sale specified in the applicable financial reporting standard are met as at December 31, 2024, the Company has classified the assets as 'held for sale'.

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|------|-----------------------------------|-------------------------------|
| | Note | Rupees | |
| 13. CASH AND BANK BALANCES | | | |
| Cash in hand | | 3,155,306 | 2,895,047 |
| Cash at bank: | | | |
| - Balance held in current accounts | | 4,644,859 | 14,665,874 |
| - Balance held in saving accounts | | 9,105,526 | 9,736,965 |
| - Term Deposit Receipt (TDR) | | 1,500,000 | 1,500,000 |
| | | 15,250,385 | 25,902,839 |
| | | 18,405,691 | 28,797,886 |
| 14. LEASE LIABILITY | | | |
| Opening balance | | 46,692,677 | 43,211,652 |
| Payments made during the period / year | | (1,034,722) | (2,821,968) |
| Finance charges | | 3,542,251 | 6,302,993 |
| | | 49,200,206 | 46,692,677 |
| Less: Current maturity shown under current liabilities | | (21,042,884) | (15,957,545) |
| Closing balance | | 28,157,322 | 30,735,132 |
| 15. LONG TERM FINANCING- secured | | | |
| Diminishing Musharaka | 15.1 | 72,787,975 | 86,116,561 |
| Islamic Temporary Economic Refinance Facility (ITERF) | 15.2 | 95,458,146 | 113,558,197 |
| | | 168,246,121 | 199,674,758 |
| 15.1 Diminishing Musharaka | | | |
| Balance at the beginning of the period / year | | 117,076,475 | 148,554,931 |
| Less: Repayments made during the period / year | | (16,706,783) | (31,478,456) |
| Balance at the end of the period / year | | 100,369,692 | 117,076,475 |
| As at the end of the period / year: | | | |
| - Current maturity | | 27,581,717 | 30,959,914 |
| - Non-current maturity | | 72,787,975 | 86,116,561 |
| | | 100,369,692 | 117,076,475 |
| 15.2 Islamic Temporary Economic Refinance Facility (ITERF) | | | |
| Balance at the beginning of the period / year | | 160,963,413 | 184,528,021 |
| Add: Interest recognized on unwinding of the liability | | 12,372,456 | 17,201,447 |
| Less: Installment paid during the period / year | | (31,451,202) | (40,766,055) |
| | | 141,884,667 | 160,963,413 |
| Less: Current portion shown under current liabilities | | (46,426,521) | (47,405,216) |
| | | 95,458,146 | 113,558,197 |

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|------|-----------------------------------|-------------------------------|
| | Note | Rupees | |
| 16. DEFERRED LIABILITIES | | | |
| Deferred government grant | 16.1 | 23,997,199 | 29,962,855 |
| Staff retirement benefits- defined benefit plan (gratuity) | | 85,477,662 | 74,615,627 |
| Provision for Gas Infrastructure Development Cess | 16.2 | 40,782,214 | 48,201,073 |
| | | <u>150,257,075</u> | <u>152,779,555</u> |
| 16.1 Deferred government grant | | | |
| Balance as at the beginning of the period /year | | 44,222,440 | 61,237,553 |
| Less: Amortization of government grant during the period /year | | <u>(7,470,304)</u> | <u>(17,015,113)</u> |
| | | 36,752,136 | 44,222,440 |
| Less: Current portion shown under current liabilities | | <u>(12,754,937)</u> | <u>(14,259,585)</u> |
| | | <u>23,997,199</u> | <u>29,962,855</u> |
| 16.2 Provision for Gas Infrastructure Development Cess | | | |
| Opening balance | | 67,984,393 | 57,993,763 |
| Unwinding of GIDC liability | 23 | <u>4,451,133</u> | <u>9,990,630</u> |
| | | 72,435,526 | 67,984,393 |
| Less: current maturity shown under current liabilities | | <u>(31,653,312)</u> | <u>(19,783,320)</u> |
| | | <u>40,782,214</u> | <u>48,201,073</u> |
| 17. SHORT TERM BORROWINGS -secured | | | |
| - Istisna financing: | | | |
| Habib Metropolitan Bank Limited | | 244,188,130 | 299,760,773 |
| Habib Bank Limited | | 199,831,812 | 199,889,169 |
| Bank Al Habib Limited | | <u>43,438,664</u> | <u>42,252,687</u> |
| | | <u>487,458,606</u> | <u>541,902,629</u> |

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

- Murabaha Financing:

| | | |
|---------------------------------|-------------|------------|
| Habib Metropolitan Bank Limited | 55,656,833 | - |
| Bank Al Habib Limited | 81,377,991 | 82,533,580 |
| | 137,034,824 | 82,533,580 |

- Wakala financing:

| | | |
|----------------------------|-------------|-------------|
| Dubai Islamic Bank Limited | 189,737,827 | 189,960,056 |
| | 814,231,257 | 814,396,265 |

(Un-audited) (Audited)
December 31, 2024 June 30,
2024
————— Rupees —————

18. TRADE AND OTHER PAYABLES

| | | |
|-------------------------------------|-------------|-------------|
| Creditors | 122,314,020 | 192,438,164 |
| Advance from customers | 130,448,061 | 88,984,643 |
| Accrued expenses | 52,397,322 | 125,866,335 |
| Provision for gas tariff difference | 51,505,591 | 51,505,591 |
| Workers' Profits Participation Fund | 12,355,992 | 12,355,992 |
| Workers' Welfare Fund payable | 1,096,811 | 3,596,811 |
| Sales tax payable | 3,529,330 | 16,936,903 |
| Withholding Income tax payable | 13,699,912 | 10,112,585 |
| Due to related party | 19,147,626 | 3,722,445 |
| Others | 8,787,851 | 7,782,308 |
| | 415,282,516 | 513,301,777 |

19. ACCRUED MARKUP

Markup accrued on:

| | | |
|---|------------|------------|
| -Short term borrowings | 53,035,686 | 40,058,668 |
| -Long term financing- Diminishing Musharaka | 756,956 | 1,703,401 |
| | 53,792,642 | 41,762,069 |

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

There has been no change in the status of contingencies as disclosed in annual financial statements of the Company for the year ended June 30, 2024.

(Un-audited) (Audited)
December 31, 2024 June 30,
2024

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | | Rupees | |
|--|-------------|-------------------------------------|--------------------------|
| | | December 31, 2024 | December 31, 2023 |
| 20.2 Commitments | | | |
| - Irrevocable letters of credit issued for purchase of raw materials and capital expenditure | | 48,788,896 | 58,240,067 |
| - Revolving letter of guarantee issued in favour of Sui Southern Gas Company Limited against gas bills | | 33,420,771 | 33,420,771 |
| | | Half year ended (Un-audited) | |
| | | December 31, 2024 | December 31, 2023 |
| 21. REVENUE - net | <i>Note</i> | Rupees | |
| Yarn sales - local | | 1,384,123,347 | 2,285,210,139 |
| Raw material and wastage sales - local | | 18,838,352 | 8,805,271 |
| | | 1,402,961,699 | 2,294,015,410 |
| Less: Sales tax | | (214,212,161) | (353,943,576) |
| Less: Commission and discounts | | (1,140,958) | (51,840) |
| | | 1,187,608,580 | 1,940,019,994 |
| | | Half year ended (Un-audited) | |
| | | (Restated) | |
| | | December 31, 2024 | December 31, 2023 |
| 22. COST OF SALES | | Rupees | |
| Raw and packing materials consumed | | 767,095,386 | 1,263,548,176 |
| Manufacturing expenses | | | |
| Stores and spares consumed | | 24,873,987 | 39,663,217 |
| Salaries, wages and benefits | 22.1 | 83,147,595 | 174,689,806 |
| Fuel and power | | 156,575,224 | 280,471,584 |
| Services procured | | 640,000 | 7,053,418 |
| Repairs and maintenance | | 1,850,438 | 6,309,048 |
| Vehicle repairs and maintenance | | 3,668,436 | 4,819,381 |
| Insurance | | 2,289,977 | 2,155,928 |
| Rent, rates and taxes | | 350,000 | 150,000 |
| Depreciation on operating fixed assets | | 21,281,003 | 20,509,077 |
| Security expenses | | 129,885 | 2,683,579 |
| Other manufacturing expenses | | 10,120,876 | 9,893,779 |
| | | 304,927,421 | 548,398,817 |
| Work-in-process - opening stock | | 27,929,539 | 35,348,344 |
| Work-in-process - closing stock | | (28,450,740) | (40,285,059) |
| | | (521,201) | (4,936,715) |
| Cost of goods manufactured | | 1,071,501,606 | 1,807,010,278 |

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | | |
|--------------------------------|----------------------|----------------------|
| Finished goods - opening stock | 87,065,991 | 143,434,226 |
| Waste material- opening stock | 4,433,200 | 991,825 |
| Finished goods - closing stock | (66,076,531) | (194,530,797) |
| Waste material- closing stock | (8,876,135) | (1,228,500) |
| | 16,546,525 | (51,333,246) |
| | <u>1,088,048,131</u> | <u>1,755,677,032</u> |

- 22.1 This includes an amount of Rs. 4.344 million (December 31, 2023: Rs. 4.450 million) in respect of staff retirement benefits.

| | | (Un-audited) December 31, 2024 | (Un-audited) December 31, 2023 |
|---|-------------|-----------------------------------|--------------------------------------|
| 23. FINANCE COSTS | <i>Note</i> | Rupees | |
| Markup and interest charges on: | | | |
| - Long term finances | | 11,585,094 | 17,569,075 |
| - Short term Islamic financing | | 89,999,211 | 101,603,273 |
| - Lease liability | | 3,542,251 | 3,303,963 |
| - Financing under ITERF facility | 15.2 | 12,372,456 | 13,716,932 |
| - Amortization of related deferred government grant | | (7,470,304) | (8,466,811) |
| | | 4,902,152 | 5,250,121 |
| Bank charges | | 128,204 | 103,617 |
| Interest on unwinding of the provision for Gas Infrastructure Development Cess | 16.2 | 4,451,133 | 4,796,928 |
| Guarantee Commission | | 212,683 | 211,500 |
| Local letter of credit charges | | - | 118,763 |
| | | <u>114,820,728</u> | <u>132,957,240</u> |

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | (Un-audited) December 31, 2024 | (Un-audited) (Restated) December 31, 2023 |
|---|-----------------------------------|--|
| | ————— Rupees ————— | |
| 24. OTHER INCOME | | |
| Rental Income | 22,300,000 | 7,800,000 |
| Less: Related expenses | | |
| Depreciation on property, plant and equipment | (3,558,498) | (3,331,999) |
| Depreciation on investment property | (2,291,040) | (2,303,559) |
| Insurance and property taxes | (476,529) | (466,368) |
| | <u>(6,326,067)</u> | <u>(6,101,926)</u> |
| | 15,973,933 | 1,698,074 |
| Returns on deposits - Islamic bank | 647,690 | 966,243 |
| Profit on Habib Islamic Investment Certificate | 115,681 | 150,315 |
| Profit on Term Deposit Receipt (TDR) | 98,062 | 113,488 |
| Dividend income | - | 258,194 |
| Unrealized gain on remeasurement of short term investment | - | 40,234 |
| Other | 175,135 | 38,800 |
| | <u>17,010,501</u> | <u>3,265,348</u> |
| 25. TAXATION - net | | |
| Current tax- prior year | 314,234 | - |
| Deferred | (33,157,393) | (32,488,367) |
| | <u>(32,843,159)</u> | <u>(32,488,367)</u> |

26. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of the subsidiary companies, key management personnel and directors of the Company as well as their close family members and employees' gratuity fund . Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Transactions entered into, and balances held with, related parties during the year, are as follows:

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | Six months period ended | |
|---|-------------------------|----------------------|
| | December 31, 2024 | December 31, 2023 |
| <i>Transaction with related parties</i> | Rupees | |
| <u>SUBSIDIARIES</u> | | |
| Sana Logistics (Private) Limited | | |
| Rental income | 7,800,000 | 7,800,000 |
| Reimbursement of operation and maintenance expenses | - | 118,416 |
| Payment made by the Company against reimburseable expenses | 167,302 | 236,575 |
| Sana Distributors (Private) Limited | | |
| Rent received | 413,610 | 413,610 |
| Reimbursement of operation and maintenance expenses | 617,500 | 725,963 |
| Payment of reimburseable expenses on behalf of the Company | 617,500 | 135,844 |
| Payment made by the Company against reimburseable expenses | - | 39,500 |
| Loan received | 27,500,000 | 25,000,000 |
| Loan repaid during the period | 21,000,000 | - |
| <u>KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS</u> | | |
| Mohammad Irfan Nawab (Chief Executive officer) | | |
| Loan obtained during the period | - | 9,500,000 |
| Loan repaid during the period | 200,000 | 5,000,000 |
| Ibrahim Younus (Director) | | |
| Loan obtained during the period | 52,000,000 | 1,000,000 |
| Loan repaid during the period | 2,000,000 | 1,000,000 |
| Mohammad Faizanullah (Director) | | |
| Loan obtained during the period | - | 3,300,000 |
| Loan repaid during the period | - | 2,000,000 |
| Afshan Irfan | | |
| Loan obtained during the period | - | 1,000,000 |
| Loan repaid during the period | - | 1,000,000 |
| Sabiha Younus | | |
| Loan obtained during the period | 2,000,000 | - |
| Loan repaid during the period | 2,000,000 | - |

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | December 31, 2024 | June 30, 2024 |
|---|----------------------|------------------|
| <i>Balances with related parties at the end of the reporting period</i> | <hr/> Rupees <hr/> | |
| <u>SUBSIDIARIES</u> | | |
| Sana Logistics (Private) Limited | | |
| Rent receivable | 106,968,000 | 99,168,000 |
| Receivable in respect of reimburseable expense incurred by the Company | 403,877 | 236,575 |
| Loan payable | 8,925,000 | 3,700,000 |
| Sana Distributors (Private) Limited | | |
| Loan payable | 10,222,445 | 3,722,445 |
| <u>KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS</u> | | |
| Mohammad Irfan Nawab (Chief Executive officer) | | |
| Loan payable as of the reporting date | 12,100,000 | 12,300,000 |
| Muhammad Faizanullah (Director) | | |
| Loan payable as of the reporting date | 6,800,000 | 6,800,000 |
| Muhammad Younus Nawab (Director) | | |
| Loan payable as of the reporting date | 200,000 | 200,000 |
| Ibrahim Younus (Director) | | |
| Loan payable as of the reporting date | 50,200,000 | 200,000 |

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

27. RESTATEMENT OF THE CORRESPONDING FIGURES

27.1 Change in accounting policy - Current tax

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as '*IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes*'. The circular clarifies that any taxes whose calculation is *not* based on '**taxable profit**' (as defined in the International Accounting Standard (IAS) 12 '*Income Taxes*') do not meet the definition of '**current tax**' as per that standard. Instead, such taxes should be treated as '**levies**' falling within the scope of IFRIC 21 '*Levies*' and the IAS 37 '*Provisions, Contingent Liabilities and Contingent Assets*'.

In light of the guidance provided in, and as required by, the said circular, the Company has changed its accounting policy for current tax whereby *only* the portion of the income tax charge that is based on the '*taxable income*' for a reporting period (*as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder*) is now classified as a '**current tax**'. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a '**levy**' in the statement of profit or loss. However, the said change in accounting policy has no effect on the accounting for deferred income taxes i.e., the deferred tax liabilities / assets continue to be accounted for based on the taxable / deductible temporary differences and the tax rate(s) enacted or substantively enacted by the end of the reporting period.

In these financial statements, the said change in accounting policy has been accounted for *retrospectively*. If the said change in accounting policy had, however, not been made, the following items in the condensed interim unconsolidated statement of profit or loss would have been reported as follows:

| | December 31, 2024 | December 31, 2023 |
|---|----------------------|----------------------|
| | Rupees | |
| Loss before levies and taxation | (64,001,893) | (16,984,805) |
| Levies | - | - |
| Loss before taxation | (64,001,893) | (16,984,805) |
| Taxation | 17,706,345 | 8,124,756 |
| Loss after taxation | (46,295,548) | (8,860,049) |
| Loss per share - basic and diluted | (2.32) | (0.44) |

27.2 Correction of prior period errors

As required by the IAS 16 '*Property, Plant and Equipment*', the Company, at the end of its latest annual reporting period (i.e., June 30, 2024), reviewed the useful lives and residual values of its buildings, plant & machinery and vehicles (*classified as property, plant and equipment*) and that of its warehouse situated at Survey No. 54, Deh Gondpass, Tappo Gabapat, Kemari Town, Karachi (*classified as investment property*) to see if the current expectations differ from the previous expectations and there is any need to revise such accounting estimates.

As a result of this exercise, it was transpired that the *actual* remaining useful lives and / or residual values of the aforementioned assets were significantly greater than those based on the original estimates. However, the

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

said increase could not be attributed any BMR activities (such as major overhauls or structural changes to the assets); instead, the same was found to be resulting from the original incorrect estimates of the useful lives and / or residual values of the assets. Specifically, it was concluded that:

- (a) **original useful lives** of both the buildings and plant & machinery were **20 years** (instead of 10 years, as previously estimated) resulting in the annual depreciation rate of **5%** (instead of 10%, as previously used); and
- (b) **residual values** of the buildings, plant & machinery and vehicles were estimated to be 35%, 20% and 30%, respectively, of the cost (instead of Nil residual values, as assumed previously).

Accordingly, in these condensed interim unconsolidated financial statements, all the above errors have been corrected *retrospectively*.

27.3 Combined effects of restatement of the corresponding figures

In these condensed interim unconsolidated financial statements, the change in accounting policy (referred to in note 27.1 above) as well as the correction of prior period errors (referred to in note 27.2 above) have been accounted for retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and all the corresponding figures affected thereby have been restated.

The retrospective effects on the corresponding figures presented in these condensed interim unconsolidated

Effects on the statement of profit or loss / statement of comprehensive income

For the period ended December 31, 2023

| | As previously reported | As restated | Change |
|--|---------------------------|---------------------|-------------------|
| | ----- (Rupees) ----- | | |
| Revenue - net | 1,940,019,994 | 1,940,019,994 | - |
| Cost of sales | (1,787,102,249) | (1,755,677,032) | 31,425,217 |
| Gross profit | 152,917,745 | 184,342,962 | 31,425,217 |
| Administrative expenses | (52,434,319) | (50,870,850) | 1,563,469 |
| Selling and distribution costs | (20,765,025) | (20,765,025) | - |
| Operating profit | 79,718,401 | 112,707,087 | 32,988,686 |
| Other income | 542,228 | 3,265,348 | 2,723,120 |
| Finance costs | (132,957,240) | (132,957,240) | - |
| Loss before taxation and levies | (52,696,611) | (16,984,805) | 35,711,806 |
| Levies | - | (24,363,611) | (24,363,611) |

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

| | | | |
|--|---------------------|---------------------|-------------------|
| Loss before taxation | (52,696,611) | (41,348,416) | 11,348,195 |
| Taxation | 18,481,180 | 32,488,367 | 14,007,187 |
| Loss after taxation | (34,215,431) | (8,860,049) | 25,355,382 |
| Earnings per share- basic and diluted | (1.71) | (0.44) | 1.27 |
| Increase in other comprehensive income | | | - |
| Increase in total comprehensive income | | | 25,355,382 |

28. FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Following is the fair value hierarchy of the assets carried at fair value:

| December 31, 2024 | Level 1 | Level 2 | Level 3 | Total |
|--|------------------------------------|----------------|----------------|------------------|
| | -----Amount in Rupees ----- | | | |
| <i>Financial assets measured at fair value</i> | | | | |
| Short term investment in units of mutual funds | 3,204,875 | - | - | 3,204,875 |
| June 30, 2024 | Level 1 | Level 2 | Level 3 | Total |
| | -----Amount in Rupees ----- | | | |
| <i>Financial assets measured at fair value</i> | | | | |
| Short term investments | 3,204,875 | - | - | 3,204,875 |

29. GENERAL

29.1 Date of authorization for issue of these interim financial statements

Sana Industries Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the half year ended December 31, 2024 (unaudited)

These condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 25-Feb-2025.

29.2 Level of rounding

Figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest rupee.



Chief Executive Officer



Director



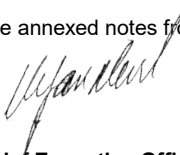
Chief Financial Officer

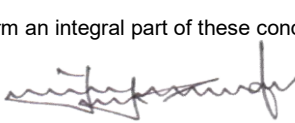
Sana Industries Limited

Interim Condensed Consolidated Statement of Financial Position As at 31 December 2024

| | Unaudited 31-Dec-2024 | Audited 30-Jun-2024 |
|---|--------------------------|------------------------|
| | Rupees | Rupees |
| Non Current Assets | | |
| Property, plant and equipment | 1,207,471,478 | 1,404,310,305 |
| Right-of-use assets | 22,617,073 | 42,070,427 |
| Intangibles | 488,854 | 536,854 |
| Long term advances, deposits and prepayments | 29,046,963 | 15,153,051 |
| Deferred taxation-net | 112,943,836 | 70,594,685 |
| Total Non Current Assets | 1,372,568,204 | 1,532,665,322 |
| Current Assets | | |
| Stock-in-trade | 213,184,795 | 278,257,605 |
| Stores and spares | 24,156,034 | 30,656,119 |
| Trade debts - unsecured | 401,285,590 | 675,949,160 |
| Loans and advances | 118,873,664 | 44,504,533 |
| Trade deposits and short term prepayments | 135,672,144 | 133,708,266 |
| Short term investments | 4,910,430 | 19,835,430 |
| Other receivables | 153,588,825 | 37,817,607 |
| Tax refunds due from government | 128,773,970 | 125,874,236 |
| Assets held for sale | 165,370,297 | - |
| Cash and bank balances | 39,193,944 | 36,785,150 |
| Total Current Assets | 1,385,009,693 | 1,383,388,106 |
| Total Assets | 2,757,577,897 | 2,916,053,428 |
| Equity | | |
| Share Capital | 199,650,000 | 199,650,000 |
| Share Premium | 96,250,000 | 96,250,000 |
| General Reserves | 132,500,000 | 132,500,000 |
| Unappropriated Profits | 191,523,839 | 237,727,569 |
| Equity attributable to the shareholders of holding company | 619,923,839 | 666,127,569 |
| Non controlling interest | 74,976,020 | 75,933,332 |
| Total Equity | 694,899,859 | 742,060,901 |
| Non Current Liabilities | | |
| Lease Liability | 28,157,322 | 33,591,299 |
| Long term financing | 168,246,121 | 199,949,399 |
| Subordinated loan from directors | 20,000,000 | 20,000,000 |
| Deferred Liabilities | 163,966,251 | 152,779,555 |
| Total Non Current Liabilities | 380,369,694 | 406,320,253 |
| Current Liabilities | | |
| Short term borrowings | 859,731,259 | 888,940,711 |
| Trade and other payables | 497,436,303 | 567,450,812 |
| Accrued markup | 55,526,378 | 43,495,805 |
| Loan from directors and sponsors | 145,204,960 | 114,204,960 |
| Unclaimed Dividends | 2,005,663 | 2,005,663 |
| Current portion of lease liability | 3,987,294 | 36,778,788 |
| Current portion of long term financing | 74,008,238 | 80,752,630 |
| Current portion of deferred Liabilities | 44,408,249 | 34,042,905 |
| Total Current Liabilities | 1,682,308,344 | 1,767,672,274 |
| Total Equity and Liabilities | 2,757,577,897 | 2,916,053,428 |

The annexed notes from 1 - 7 form an integral part of these condensed interim unconsolidated financial


Chief Executive Officer


Director

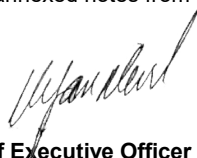

Chief Financial Officer

Sana Industries Limited

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the Half Year and Quarter Ended December 31, 2024

| | Half Year Ended | | Quarter Ended | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31-Dec-2024 Rupees | 31-Dec-2023 Rupees | 31-Dec-2024 Rupees | 31-Dec-2023 Rupees |
| Revenues | 2,175,886,769 | 3,374,094,976 | 880,039,664 | 1,594,676,350 |
| Sales tax, commissions and discounts | (356,964,378) | (518,861,159) | (161,921,888) | (235,471,689) |
| Revenues - net | 1,818,922,391 | 2,855,233,817 | 718,117,776 | 1,359,204,661 |
| Cost of sales | (1,651,798,452) | (2,636,940,088) | (626,024,539) | (1,221,234,611) |
| Gross Profit | 167,123,939 | 218,293,729 | 92,093,237 | 137,970,050 |
| Administrative expenses | (72,180,879) | (70,751,362) | (35,005,748) | (30,218,931) |
| Distribution expenses | (44,786,329) | (57,673,016) | (26,134,410) | (44,653,151) |
| Other operating expenses | - | - | - | - |
| | (116,967,208) | (128,424,378) | (61,140,158) | (74,872,082) |
| Profit before interest and tax | 50,156,731 | 89,869,351 | 30,953,079 | 63,097,968 |
| Other income / (expense) | 14,295,670 | 3,050,520 | 12,556,097 | (1,979,432) |
| Finance costs | (123,390,498) | (144,923,844) | (65,295,375) | (82,983,200) |
| Loss before levies and taxation | (58,938,097) | (52,003,973) | (21,786,199) | (21,864,664) |
| Levies | (15,136,814) | (35,728,554) | (3,142,094) | (16,990,058) |
| Loss before taxation | (74,074,911) | (87,732,527) | (24,928,293) | (38,854,722) |
| Taxation | 27,871,181 | 48,655,877 | 15,504,231 | 16,075,672 |
| Loss after taxation | (46,203,730) | (39,076,650) | (9,424,062) | (22,779,050) |
| Other comprehensive income | | | | |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss | (46,203,730) | (39,076,650) | (9,424,062) | (22,779,050) |
| Attributable to: | | | | |
| Shareholders of the holding company | (45,246,418) | (38,157,557) | (11,022,081) | (20,036,284) |
| Non-controlling interest | (957,312) | (919,093) | 1,598,019 | (2,742,766) |
| | (46,203,730) | (39,076,650) | (9,424,062) | (22,779,050) |
| Loss per share - basic and diluted | (2.27) | (1.91) | (0.55) | (1.00) |

The annexed notes from 1 - 7 form an integral part of these condensed interim unconsolidated financial statements


Chief Executive Officer


Director


Chief Financial Officer

Sana Industries Limited

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the Half Year Ended 31 December 2024

| Description | Issued, subscribed and paid-up share capital | Revenue Reserves | | | | Total equity attributable to the shareholders of the holding company | Non-controlling interest |
|--|--|--------------------|-------------------|----------------------------|--------------------|---|-----------------------------|
| | | General Reserve | Share Premium | Un-appropriated Profits | Sub Total | | |
| Balance as at July 01, 2023 | 199,650,000 | 132,500,000 | 96,250,000 | (15,047,461) | 213,702,539 | 413,352,539 | 58,269,249 |
| Total comprehensive income for the half year ended 31 December 2023 | | | | | | | |
| Loss after taxation | - | - | - | (39,076,650) | (39,076,650) | (38,157,557) | (919,093) |
| Other comprehensive income | - | - | - | - | - | - | - |
| Balance as at 31 December 2023 | <u>199,650,000</u> | <u>132,500,000</u> | <u>96,250,000</u> | <u>(54,124,111)</u> | <u>174,625,889</u> | <u>375,194,982</u> | <u>57,350,156</u> |
| Balance as at 30 June 2024 | 199,650,000 | 132,500,000 | 96,250,000 | 237,727,569 | 466,477,569 | 666,127,569 | 75,933,332 |
| Total comprehensive income for the half year ended 31 December 2024 | | | | | | | |
| Loss after taxation | - | - | - | (46,203,730) | (46,203,730) | (46,203,730) | (957,312) |
| Other comprehensive income | - | - | - | - | - | - | - |
| Balance as at 31 December 2024 | <u>199,650,000</u> | <u>132,500,000</u> | <u>96,250,000</u> | <u>191,523,839</u> | <u>420,273,839</u> | <u>619,923,839</u> | <u>74,976,020</u> |

The annexed notes from 1 - 7 form an integral part of these condensed interim unconsolidated financial statements


Chief Executive Officer


Director


Chief Financial Officer

Sana Industries Limited

Interim Condensed Consolidated Statement of Cash Flows (Unaudited) For the Half Year and Quarter Ended December 31, 2024

| | Notes | 31-Dec-2024 Rupees | 31-Dec-2023 Rupees |
|---|-------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before levies and taxation | | (58,938,097) | (52,003,973) |
| Adjustments for non-cash items and other charges: | | | |
| Depreciation and amortization | | 41,955,918 | 99,209,138 |
| Profit on bank deposits | | (861,433) | (2,713,292) |
| Provision for gratuity | | 10,862,035 | 11,126,025 |
| Gain on disposal of short term investment | | - | (40,234) |
| Dividend income | | - | (258,194) |
| Finance costs | | 123,390,498 | 144,923,844 |
| | | 116,408,921 | 200,243,314 |
| Effect on cash flow due to working capital changes | | | |
| Net increase in current assets | | 143,270,203 | (4,403,053) |
| Net increase in current liabilities | | (70,014,509) | 28,406,268 |
| | | 189,664,615 | 224,246,529 |
| Finance cost paid | | (111,359,925) | (162,289,907) |
| Staff compensation benefit paid | | - | (600,000) |
| Taxes paid - net | | (12,624,696) | (34,049,613) |
| Net cash generated from operating activities | | 65,679,994 | 27,307,009 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditure - net | | (4,175,040) | (24,276,943) |
| Profit received from PLS saving accounts | | 861,433 | 2,713,292 |
| Proceeds from sale of short term investments | | 14,925,000 | - |
| Net cash generated from / (used in) investing activities | | 11,611,393 | (21,563,651) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Short term borrowings | | (29,209,452) | (50,900,294) |
| Long term financing | | (38,447,670) | (20,186,713) |
| Loan from directors and sponsors - net | | 31,000,000 | 28,589,960 |
| Lease liability repayments | | (38,225,471) | (3,935,235) |
| Net cash used in financing activities | | (74,882,593) | (46,432,282) |
| Net increase / (decrease) in cash and cash equivalents | | 2,408,794 | (40,688,924) |
| Cash and cash equivalents at beginning of the period | | 36,785,150 | 76,196,579 |
| Cash and cash equivalents at the end of the period | | 39,193,944 | 35,507,655 |

The annexed notes from 1 - 7 form an integral part of these condensed interim unconsolidated financial

Sana Industries Limited

Notes to the Interim Condensed Consolidated Financial Information
For the Half Year and Quarter Ended December 31, 2024

1 The group and its operations

The group consist of **Sana Industries Limited** ("The Holding Company") and its subsidry

1.1 Sana Industries Limited

Sana Industries Limited ("the Company") is a public listed company incorporated in Pakistan on

The geographical location of the Company's business units, including plant, are as under

Head office: The registered office of the Company is situated at 33-D-2, Block 6, P.E.C.H.S,

Factory: The mill is located at Hub Industrial Trading Estate, situated at Tehsil Hub, District

Warehouse: The Company's warehouse is located at SF-96, S.I.T.E, Karachi

1.2 Sana Logistics (Private) Limited

Sana Logistics Private Limited (the subsidiary Company) was incorporated in Pakistan as a private

1.3 Sana Distributors (Private) Limited

Sana Distributors 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 solely distribute lubricant products all over Karachi. This is **99.99%** owned

2 Basis of preparation

These unaudited consolidated condensed interim financial statements ("the financial statements")

The disclosures made in these financial statements have, however, been limited based on the

3 Basis of measurement

3.1 Items included in these financial statements are measured using the currency of the primary

3.2 In preparing these financial statements, the **significant judgments** made by management in

3.3 The **material accounting policy information** applied in the preparation of these financial

4 Loss per share

| | | |
|--|---------------------|--------------|
| Loss attributable to shareholders of the holding company | (45,246,418) | (38,157,557) |
| Issued number of ordinary shares | 19,965,000 | 19,965,000 |
| Basic and diluted loss per share | (2.27) | (1.91) |

5 Transactions with related parties

The related parties include associated companies, directors, staff retirement benefit fund and key

Nature of transactions

| | | |
|---|--------------------|------------|
| a) Borrowings from directors' family members | 117,820,000 | 19,900,000 |
| b) Repayment of borrowings from directors' family members | 86,820,000 | 9,000,000 |

6 Date of authorization for issue

These condensed interim financial statements were approved and authorised for issue by the

7 General

Amounts are rounded off the nearest Rupee


Chief Executive Officer


Director


Chief Financial Officer