



CONDENSED INTERIM FINANCIAL
ACCOUNTS
(UN-AUDITED)

For the Period Ended December 31, 2023

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.Mohammed Faizanullah	- Director
Shaikh Abdus Sami	- Director
Ms.Zainab Hanif Dhedhi	- Chief Director

H.R. & Remuneration Committee

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

Audit Committee

Shaikh Abdus Sami	- Chairman
Syed Amjad Ahmad	- 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

Habib Metropolitan Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank Limited
Habib Bank Limited

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

The Directors take pleasure in submitting their Report together with the operational and financial results of the company reviewed by the statutory auditors, for the 2nd quarter/ half year ended December 31, 2023.

Pakistan's economy is currently going through a precarious phase due to unfavorable economic and political challenges provided impetus by global recessionary trends.

The State Bank of Pakistan to contain the rising inflation, has raised the interest rates to 22% at the half year end. Along with this the unproportionate increase in electricity and gas prices, which are higher than rest of the competing region has put great pressure on the manufacturing sector and our industry.

Alhamdulillah, the results of the Second quarter have shown improvement as compared to the 1st quarter of this year, due to prevailing market conditions and the unconsolidated Loss before tax of Rs.30.14 million for the previous quarter has been reduced to Rs.21.87 million in the current quarter and Gross Profit rate as to net sales of 5.37% in the previous quarter has enhanced to 10.15% in the current quarter, resulting in G.P. rate of 6.58% for the six months ended 31-12-2023.

During the period under review:

- The consolidated profit/ (loss) after tax during the period under review is at Rs. (39.08) million;
- The unconsolidated profit/ (loss) after tax during the period under review is at Rs. (34.22) million.

In order to facilitate our shareholders, 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

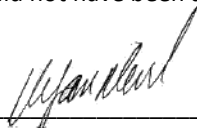
Complying with the requirement of SECP, unconsolidated as well as consolidated financial statement for the period are also attached.


Dividend/ Bonus Issue/ Right Issue

No dividend, bonus issue or right issue has been announced during the period.

Acknowledgment

We would like to place on record our deepest gratitude to all stakeholders (internal/external), Banks, financial institutions, relevant ministries, and regulators for their continuous support towards the growth of the company. We acknowledge the hard work, devotion and loyalty of the staff and workers without whom continued success could not have been achieved. We look forward to the same devotion and cooperation in the years to come.


Muhammad Irfan Nawab
Chief Executive Officer


Muhammad Faizanullah
Director

Karachi: February 21st, 2024

ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی دوسری سہ ماہی / ششماہی کے لئے قانونی آڈیٹرز کے جائزہ شدہ کمپنی کے آپریشنل اور مالیاتی نتائج کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

پاکستان کی معیشت اس وقت غیر یقینی صورتحال سے گزر رہی ہے جس کی وجہ ناسازگار معاشی اور سیاسی چیلنجز ہیں جو عالمی کساد بازاری کے رجحانات کے باعث تقویت فراہم کرتے ہیں۔

اسٹیٹ بینک آف پاکستان نے بڑھتے ہوئے افراط زر پر قابو پانے کے لیے ششماہی کے اختتام پر شرح سود کو 22 فیصد تک بڑھا دیا ہے۔ اس کے ساتھ ساتھ بجلی اور گیس کی قیمتوں میں غیر متناسب اضافہ، جو باقی مسابقتی خطے کے مقابلے میں زیادہ ہے، نے مینوفیکچرنگ سیکٹر اور ہماری صنعت پر بہت دباؤ ڈالا ہے۔

الحمد للہ! دوسری سہ ماہی کے نتائج میں رواں سال کی پہلی سہ ماہی کے مقابلے میں بہتری دیکھنے میں آئی ہے جس کی وجہ مارکیٹ کے موجودہ حالات اور گزشتہ سہ ماہی کے لیے 30.14 ملین روپے کا قبل از ٹیکس نقصان رواں سہ ماہی میں کم ہو کر 21.87 ملین روپے رہ گیا ہے اور گزشتہ سہ ماہی میں خالص فروخت کی شرح 5.37 فیصد تھی جو رواں سہ ماہی میں بڑھ کر 10.15 فیصد ہو گئی ہے، جس کے نتیجے میں 31-12-2023 کو ختم ہونے والی ششماہی کے لئے خام منافع کی شرح 6.58 فیصد رہی ہے۔

زیر جائزہ مدت کے دوران:

- زیر جائزہ مدت کے دوران بعد از ٹیکس مدغم شدہ منافع / (نقصان) 39.08 ملین روپے رہا۔
- زیر جائزہ مدت کے دوران غیر مدغم شدہ بعد از ٹیکس منافع / (نقصان) 34.22 ملین روپے رہا۔

ہمارے شیئر ہولڈرز کی سہولت کے لئے، آپریٹنگ اور مالیاتی اعداد و شمار کے مندرجہ ذیل موازنہ کو اس رپورٹ کے ساتھ منسلک کیا گیا ہے:

- پچھلی سہ ماہی کے ساتھ موازنہ - Annexure-A
- گزشتہ سال کی اسی سہ ماہی سے موازنہ - Annexure-B
- متعلقہ ششماہی مدت کے ساتھ موازنہ - Annexure-C
- پچھلی دو سہ ماہیوں کی بیلنس شیٹ کا موازنہ - Annexure-D
- پچھلی دو سہ ماہیوں کے پرافٹ اینڈ لاس اکاؤنٹ کا موازنہ - Annexure-E

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

ڈیویڈنڈ ابونس اجراء / رائٹ اجراء

اس مدت کے دوران کسی ڈیویڈنڈ، بونس کے اجراء یا رائٹ ایشو کا اعلان نہیں کیا گیا ہے۔

اعتراف:

ہم تمام اسٹیک ہولڈرز (اندرونی / بیرونی)، بینکوں، مالیاتی اداروں، متعلقہ وزارتوں اور ریگولیٹرز کا دل کی گہرائی سے شکریہ ادا کرنا چاہتے ہیں جنہوں نے کمپنی کی ترقی میں ہماری مسلسل حمایت کی۔ ہم عملے اور کارکنان کی محنت، لگن اور خلوص کا اعتراف کرتے ہیں جن کے بغیر مسلسل کامیابی کا حصول ممکن نہیں تھا۔ ہم آنے والے سالوں میں اسی لگن اور تعاون کے منتظر ہیں۔

محمد فیضان اللہ
ڈائریکٹر

محمد عرفان نواب
چیف ایگزیکٹو آفیسر

کراچی: 21 فروری 2024ء

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

Comparison with previous quarter

Annexure A

Covering period FROM TO	01-Oct-2023	01-Jul-2023	VARIATION	
	31-Dec-2023	30-Sep-2023	Amount	Percentage
Gross Turnover	1,594.67	1,779.42	(184.75)	-10.38%
Turnover - net	1,359.20	1,496.03	(136.83)	-9.15%
Cost of Sales	1,221.23	1,415.71	(194.48)	-13.74%
Gross profit / (loss)	137.97	80.32	57.65	71.78%
G.P.Rate to Sales	10.15%	5.37%		4.78%
Administrative, Selling, Financial & Other expenses	159.84	115.49	44.35	38.40%
Other income	-	5.03	(5.03)	-100.00%
Operating (loss) / Profit before tax	(21.87)	(30.14)	8.27	-27.44%
Operating (loss) / Profit to sales ratio	-1.61%	-2.01%		
Provision for Taxation	0.91	(13.84)	14.75	-106.58%
Profit / (loss) after Taxation	(22.78)	(16.30)	(6.48)	39.75%
Attributable to:				
- Shareholders of the Holding Company	(20.04)	28.67	(48.71)	-169.90%
- Non - controlling interest	(2.74)	0.66	(3.40)	-513.74%
	(22.78)	29.33		
Earning per share (before tax)	(1.10)	(1.51)	0.41	-27.44%
Earning per share (after tax)	(1.00)	(0.82)	(0.18)	22.48%

Comparison with corresponding quarter of last year

Annexure B

Covering period FROM TO	01-Oct-2023	01-Oct-2022	VARIATION	
	31-Dec-2023	31-Dec-2022	Amount	Percentage
Gross Turnover	1,594.67	1,230.60	364.07	29.58%
Turnover - net	1,359.20	977.19	382.01	39.09%
Cost of Sales	1,221.23	1,023.87	197.36	19.28%
Gross profit / (loss)	137.97	(46.68)	184.65	-395.57%
G.P.Rate to Sales	10.15%	-4.78%		14.93%
Administrative, Selling, Financial & Other expenses	159.84	87.93	71.91	81.78%
Other income	-	19.01	(19.01)	-100.00%
Operating (loss) / Profit before tax	(21.87)	(115.60)	93.73	-81.08%
Operating (loss) / Profit to sales ratio	-1.61%	-11.83%		
Provision for Taxation	0.91	62.72	(61.81)	-98.55%
Profit / (loss) after Taxation	(22.78)	(52.88)	30.10	-56.92%
Attributable to:				
- Shareholders of the Holding Company	(20.04)	(37.08)	17.04	-45.96%
- Non - controlling interest	(2.74)	0.66	(3.40)	-513.74%
	(22.78)	(36.42)		
Earning per share (before tax)	(1.10)	(5.79)	4.69	-81.08%
Earning per share (after tax)	(1.00)	(2.65)	1.65	-62.24%

Comparison with corresponding six months period of last year

Annexure C

Covering period FROM TO	01-Jul-2023	01-Jul-2022	VARIATION	
	31-Dec-2023	31-Dec-2022	Amount	Percentage
Gross Turnover	3,374.09	2,434.39	939.70	38.60%
Turnover - net	2,855.23	1,948.87	906.36	46.51%
Cost of Sales	2,667.33	1,955.03	712.30	36.43%
Gross profit / (loss)	187.90	(6.16)	194.06	-3150.32%
G.P.Rate to Sales	6.58%	-0.32%		
Administrative, Selling, Financial & Other expenses	242.95	174.39	68.56	39.31%
Other income	3.05	42.29	(39.24)	92.79%
Operating (loss) / Profit before tax	(52.00)	(138.26)	86.26	62.39%
Operating (loss) / Profit to sales ratio	-1.82%	-7.09%		
Provision for Taxation	(12.93)	52.43	(65.36)	-124.66%
(Loss) / Profit after Taxation	(39.07)	(85.83)	46.76	-54.48%
- Shareholders of the Holding Company	(38.16)	(95.82)		
- Non-controlling interest	(0.91)	9.99		
Earning per share (before tax)	(2.60)	(11.43)	8.83	-77.25%
Earning per share (after tax)	(1.91)	(7.92)	6.01	-75.88%

COMPARISON OF BALANCE SHEET OF TWO QUARTERS (CONSOLIDATED)

	1ST QUARTER 30-Sep-2023 Rupees	2ND QUARTER 31-Dec-2023 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, Plant and equipments	947,809,384	921,496,783
Right to use assers	53,521,876	44,796,499
Intangibles	591,072	591,072
Long-term deposits	1,000,000	1,000,000
Long-term advances	2,756,051	13,853,051
Deferred tax asset - net	171,014,834	184,988,383
	1,176,693,217	1,166,725,788
CURRENT ASSETS		
Stock-in-trade	293,936,444	320,574,127
Stores and spares	15,545,817	27,031,365
Short term investment	19,308,681	19,607,110
Trade debts- unsecured, considered good	874,445,057	779,604,165
Loans and advances	18,655,776	100,010,425
Trade Deposits and pre-payments and other receivables	9,422,813	9,345,014
Other receivables	86,333,225	23,215,369
Taxation - net	121,013,204	126,105,297
Cash and bank balances	34,420,635	35,507,655
	1,473,081,651	1,441,000,525
TOTAL ASSETS	2,649,774,868	2,607,726,313
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share Capital	199,650,000	199,650,000
Reserves	195,581,266	174,625,889
Attributable to equity holders of the parent	395,231,266	374,275,889
Non-controlling interest	60,092,922	57,350,156
	455,324,188	431,626,045
NON CURRENT LIABILITIES		
Long term financing	250,810,218	257,583,279
Lease Liability	59,694,565	53,833,315
Deferred Liabilities	181,495,789	185,184,499
	492,000,571	496,601,093
CURRENT LIABILITIES		
Trade and other payables	547,541,083	521,017,801
Accrued profit	38,412,132	40,622,003
Subordinated loan from directors	20,000,000	20,000,000
Loans from directors and associates	92,804,960	89,554,960
Current portion of long term financing	75,080,124	58,112,604
Current maturity of lease liability	24,594,426	30,972,296
Current maturity of deferred government grant	16,569,418	15,983,361
Provident Fund payable	-	-
Unclaimed dividend	2,005,661	2,005,663
Short term Islamic finance	885,442,305	894,742,674
Deferred tax liability	-	6,487,814
	1,702,450,109	1,679,499,176
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	2,649,774,868	2,607,726,313
Debt Equity Ratio	51.94%	53.50%
Current Ratio	0.87	0.86

COMPARISON OF PROFIT & LOSS ACCOUNT OF TWO QUARTERS.

	1ST QUARTER 30-Sep-2023 Rupees	2ND QUARTER 31-Dec-2023 Rupees	Y.T.D. 31-Dec-2023 Rupees
Gross turnover	1,779,418,626	1,594,676,350	3,374,094,976
Less: Sales tax, commission & discounts	(283,389,470)	(235,471,689)	(518,861,159)
Turnover - net	1,496,029,156	1,359,204,661	2,855,233,817
Cost of sales	(1,415,705,477)	(1,221,234,611)	(2,636,940,088)
Gross profit	80,323,679	137,970,050	218,293,729
G.P.Rate	5.37%	10.15%	7.65%
Selling and distribution expenses	(27,454,085)	(30,218,931)	(57,673,016)
General and administration expenses	(26,098,211)	(44,653,151)	(70,751,362)
Other operating expenses	-	-	-
Operating profit	26,771,383	63,097,968	89,869,351
Finance cost	(61,940,644)	(82,983,200)	(144,923,844)
Other income	5,029,952	(1,979,432)	3,050,520
Profit for the period before taxation	(30,139,309)	(21,864,664)	(52,003,973)
Provision for taxation - current	(23,705,940)	(12,643,132)	(36,349,072)
- deferred (current)	37,547,649	11,728,746	49,276,395
	13,841,709	(914,386)	12,927,323
Profit / Loss after taxation	(16,297,600)	(22,779,050)	(39,076,650)
Attributable to:			
- Shareholders of the Holding Company	(18,121,273)	(20,036,284)	(38,157,557)
- Non - controlling interest	1,823,673	(2,742,766)	(919,093)
	(16,297,600)	(22,779,050)	(39,076,650)
Earning per share before taxation	(1.51)	(1.10)	(2.60)
Earning per share after taxation	(0.91)	(1.00)	(1.91)

**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, 2023** 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

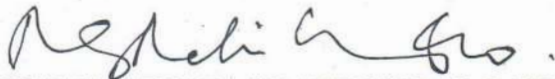
We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for 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, 2023. 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 quarter period ended December 31, 2023.

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 26, 2024
UDIN: RR202310210F8WqVroPt

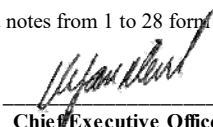
Sana Industries Limited


Condensed Interim Unconsolidated Statement of Financial Position

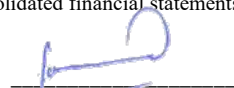
As at December 31, 2023

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Rupees			
ASSETS			
Non-current assets			
Property, plant and equipment	3	775,960,736	823,193,060
Right of-use-asset		27,760,334	32,054,127
Investment property		28,272,512	33,353,146
Investment in subsidiary		94,999,990	94,999,990
Long term deposits and prepayments		13,853,051	13,853,051
Deferred tax asset -net	4	177,285,474	134,440,683
		<u>1,118,132,097</u>	<u>1,131,894,057</u>
Current assets			
Stock-in-trade	5	306,414,118	290,356,504
Stores and spares		27,031,365	19,003,955
Trade debts	7	529,405,389	557,863,756
Loans and advances		13,649,524	15,136,036
Trade deposits and short term prepayments		6,684,278	2,674,689
Other receivables	8	140,649,326	120,725,164
Short term investments		4,682,110	4,383,682
Tax refunds due from government	9	71,822,397	83,810,293
Cash and bank balances	10	27,189,411	57,742,190
		<u>1,127,527,918</u>	<u>1,151,696,269</u>
Total assets		<u>2,245,660,015</u>	<u>2,283,590,326</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorized capital</i>			
20,000,000 (June 30, 2023: 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	11	199,650,000	199,650,000
<i>Capital reserves</i>			
Share premium		96,250,000	96,250,000
<i>Revenue reserves</i>			
General reserves		132,500,000	132,500,000
Unappropriated profits		(17,271,370)	16,944,061
		<u>115,228,630</u>	<u>149,444,061</u>
		<u>411,128,630</u>	<u>445,344,061</u>
Non-current liabilities			
Lease liability	12	32,612,601	30,554,993
Long term financing -secured	13	252,648,412	260,117,121
Deferred liabilities	14	185,184,499	177,424,113
		<u>470,445,512</u>	<u>468,096,227</u>
Current liabilities			
Short term borrowings -secured	15	839,157,472	853,640,095
Trade and other payables	16	385,181,243	350,986,253
Loan from directors and sponsors	17	10,900,000	5,100,000
Accrued markup	18	38,842,516	55,907,933
Current portion of lease liability		13,903,014	12,656,659
Current portion of long term loans from a banking company		58,112,604	72,965,831
Current portion of deferred government grant		15,983,361	16,887,604
Unclaimed dividend		2,005,663	2,005,663
		<u>1,364,085,873</u>	<u>1,370,150,038</u>
Contingencies and commitments	19		
Total equity and liabilities		<u>2,245,660,015</u>	<u>2,283,590,326</u>

The annexed notes from 1 to 28 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, 2023 (unaudited)

	Note	Half year ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Rupees					
Gross revenue	19	2,294,015,410	1,496,175,956	1,155,658,775	725,663,878
Less; Sales tax		(353,943,576)	(219,261,383)	(178,130,410)	(107,032,564)
Commissions and discounts		(51,840)	(145,898)	(51,840)	-
Revenue - net		1,940,019,994	1,276,768,675	977,476,525	618,631,314
Cost of sales	20	(1,787,102,249)	(1,301,660,317)	(868,318,486)	(653,367,537)
Gross profit / (loss)		152,917,745	(24,891,642)	109,158,039	(34,736,223)
Administrative expenses		(52,434,319)	(48,545,698)	(28,251,675)	(27,353,711)
Distribution expenses		(20,765,025)	(11,127,950)	(11,954,560)	(6,621,181)
Other operating expenses		-	(1,135,609)	-	(1,135,609)
		(73,199,344)	(60,809,257)	(40,206,235)	(35,110,501)
Operating profit / (loss)		79,718,401	(85,700,899)	68,951,804	(69,846,724)
Finance costs	21	(132,957,240)	(88,024,165)	(77,054,753)	(51,898,884)
Other income	22	542,228	18,667,934	(3,259,052)	19,796,726
		(132,415,012)	(69,356,231)	(80,313,805)	(32,102,158)
Loss before taxation		(52,696,611)	(155,057,130)	(11,362,001)	(101,948,882)
Taxation - net	23	18,481,180	59,617,210	(3,489,137)	65,529,064
Loss profit after taxation		(34,215,431)	(95,439,920)	(14,851,138)	(36,419,818)
			(Restated)		(Restated)
Loss per share - basic and diluted	24	(1.71)	(4.78)	(0.74)	(1.82)

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

2

Sana Industries Limited


Condensed Interim Unconsolidated Statement of Comprehensive Income

For the half year and quarter ended December 31, 2023 (unaudited)

	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rupees			
Loss after taxation	(34,215,431)	(95,439,920)	(14,851,138)	(36,419,818)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(34,215,431)	(95,439,920)	(14,851,138)	(36,419,818)

The annexed notes from 1 to 28 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, 2023 (unaudited)

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves		Total
		Share premium	General reserves	Unappropriated profits	
Rupees					
Balance as at June 30, 2022	121,000,000	96,250,000	132,500,000	248,486,285	598,236,285
<i>Transaction with owners</i>					
- Final dividend paid for the year ended June 30, 2022 @ Rs. 1.00/- per share	-	-	-	(12,100,000)	(12,100,000)
<i>Total comprehensive income for the half year ended December 31, 2022</i>	-	-	-	(95,439,920)	(95,439,920)
Balance as at December 31, 2022	<u>121,000,000</u>	<u>96,250,000</u>	<u>132,500,000</u>	<u>140,946,365</u>	<u>490,696,365</u>
Balance as at June 30, 2023	199,650,000	96,250,000	132,500,000	16,944,061	445,344,061
<i>Total comprehensive income for the half year ended December 31, 2023</i>	-	-	-	(34,215,431)	(34,215,431)
Balance as at December 31, 2023	<u>199,650,000</u>	<u>96,250,000</u>	<u>132,500,000</u>	<u>(17,271,370)</u>	<u>411,128,630</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

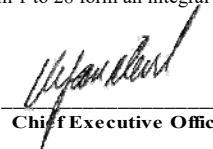
Sana Industries Limited

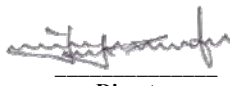
Condensed Interim Unconsolidated Statement of Cash Flows

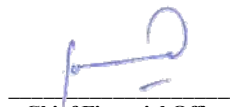
For the half year ended December 31, 2023 (unaudited)

	Note	Half year ended	
		December 31, 2023	December 31, 2022
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(52,696,611)	(155,057,130)
<i>Adjustments for:</i>			
- Depreciation on property, plant and equipment	3	64,670,865	47,204,341
- Depreciation on right-of-use assets	4	4,293,793	3,697,606
- Depreciation on investment property		5,080,634	5,247,949
- Provision for staff retirement benefits		11,126,025	7,646,581
- Provision for gas rate difference		-	7,116,811
- Unrealized gain on re-measurement of short term investments	23	(40,234)	(5,276)
- Amortization of deferred government grant	23	-	(3,659,304)
- Dividend income	23	(258,194)	(64,518)
- Profit on bank deposits	23	(1,230,046)	(842,026)
- Increase in provision for expected credit losses		-	757,954
- Finance costs	22	132,957,240	91,683,469
		216,600,083	158,783,587
Cash generated from operating activities before working capital changes		163,903,472	3,726,457
Effect on cash flow due to working capital changes			
<i>(Increase)/decrease in current assets</i>			
- Stock-in-trade		(16,057,614)	62,034,248
- Stores and spares		(8,027,410)	(12,422,527)
- Trade debts		28,458,367	(65,228,689)
- Loan and advances		1,486,512	(7,314,132)
- Trade deposits and short term prepayments		(4,009,589)	(2,683,790)
- Other receivables		(19,924,162)	(29,831,487)
- Sales tax refundable		11,642,003	(13,437,180)
<i>Increase/(decrease) in current liabilities</i>			
- Trade and other payables		34,194,990	23,754,101
		27,763,097	(45,129,456)
Cash generated from / (used in) operations		191,666,569	(41,402,999)
- Income tax paid		(24,017,716)	(16,477,542)
- Contribution to staff retirement benefits fund		(600,000)	(3,661,090)
- Compensated absences paid		-	(11,737)
- Finance cost paid		(136,671,645)	(58,167,112)
Net cash generated from / (used in) operating activities		30,377,208	(119,720,480)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(17,438,541)	(215,829,301)
Profit received		1,230,046	842,026
Net cash used in investing activities		(16,208,495)	(214,987,275)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received against musharaka facility		-	59,323,911
Repayment of long term musharaka		(15,852,156)	(16,418,754)
Repayment of loan against SBP Refinance facility for payment of wages and salaries		-	(15,499,424)
Loan received against Islamic Temporary Economic Refinance Facility		-	114,140,000
Repayment of loan against Islamic temporary economic refinance		(20,186,713)	(2,933,071)
Repayment of lease liability		-	(5,791,328)
Short term borrowings - net		(14,482,623)	206,269,666
Loan received from directors and sponsors		14,800,000	2,625,000
Loan repaid to directors and sponsors		(9,000,000)	(1,125,000)
Dividend paid		-	(12,071,563)
Net cash (used in) / generated from from financing activities		(44,721,492)	328,519,437
Net decrease in cash and cash equivalents		(30,552,779)	(6,188,318)
Cash and cash equivalents at the beginning of the period		57,742,190	28,224,761
Cash and cash equivalents at the end of the period		27,189,411	22,036,443

The annexed notes from 1 to 28 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, 2023 (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 (here-in-after referred to as the 'interim 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 interim 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, 2023.

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 interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These interim 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 interim 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 unconsolidated financial statements of the Company as at and for the year ended June 30, 2023.

2.5 Material accounting policy information

The material accounting policy information applied in the preparation of these interim financial statements is the same as that applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- Rupees -----	
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	<u>775,960,736</u>	<u>823,193,060</u>
3.1 Operating fixed assets			
Net book value at the beginning of the period / year		823,193,060	550,070,507
Add: Additions during the period / year		17,438,541	348,305,140
Add: Transferred from CWIP during the period / year		-	31,435,144
Less: Disposals during the period / year- at net book value		-	(3,564,295)
Depreciation charged during the period / year		(64,670,865)	(103,053,436)
		<u>(64,670,865)</u>	<u>(106,617,731)</u>
Net book value at the end of the period / year		<u>775,960,736</u>	<u>823,193,060</u>

3.1.1 The class-wise amounts of additions and disposals are as follows:

	Half year ended December 31, 2023		Year ended June 30, 2023		
	Additions (At Cost)	Disposals (At NBV)	Additions (At Cost)	Transfer from CWIP (At Cost)	Disposals (At NBV)
Building on leasehold land	-	-	5,263,098	8,885,149	1,722,895
Electrification - Factory Building	1,650,000	-	1,833,725	-	-
Plant and machinery	15,686,254	-	337,633,022	22,549,995	1,841,400
Furniture, fixtures and office equipment	102,287	-	630,295	-	-
Vehicles	-	-	2,945,000	-	-
	<u>17,438,541</u>	<u>-</u>	<u>348,305,140</u>	<u>31,435,144</u>	<u>3,564,295</u>

4. DEFERRED TAXATION- net

	December 31, 2023				Balance at the end of the year
	Balance at the beginning of the year	Charge / (income) recognized in statement of profit or loss	Charge / (income) recognized in other comprehensive	Charge / (income) recognized in Unappropriated profits	
----- (Rupees) -----					
Deferred tax liability arising from:					
- Accelerated depreciation allowance	(44,540,878)	3,305,309	-	-	(41,235,569)
- Islamic Temporary Economic Refinance Facilit	(18,986,781)	4,368,073	-	-	(14,618,708)
Deferred tax assets arising from:					
- Minimum tax	50,342,561	24,363,611	-	-	74,706,172
- Provision for staff retirement benefits	21,773,316	3,052,548	-	-	24,825,864
- Unused Tax losses	87,318,567	6,616,167	-	-	93,934,734
- Gas infrastructure cess liability	16,818,191	1,391,109	-	-	18,209,300
- Allowance for expected credit losses	721,135	-	-	-	721,135
- Lease liability - net	3,235,682	2,203,349	-	-	5,439,031
- Deferred government grant	17,758,890	(2,455,375)	-	-	15,303,515
	<u>134,440,683</u>	<u>42,844,791</u>	-	-	<u>177,285,474</u>

	June 30, 2023				Balance at the end of the year
	Balance at the beginning of the year	Charge / (income) recognized in statement of profit or loss	Charge / (income) recognized in other comprehensive	Charge / (income) recognized in Unappropriated profits	
----- (Rupees) -----					
Deferred tax liability arising from:					
- Accelerated depreciation allowance	(33,270,046)	(11,270,832)	-	-	(44,540,878)
- Islamic Temporary Economic Refinance Facilit	(7,291,455)	(11,695,326)	-	-	(18,986,781)
Deferred tax assets arising from:					
- Minimum tax	14,010,157	36,332,404	-	-	50,342,561
- Provision for staff retirement benefits	15,113,656	3,872,583	2,787,077	-	21,773,316
- Unused Tax losses	-	87,318,567	-	-	87,318,567
- Gas infrastructure cess liability	14,346,678	2,471,513	-	-	16,818,191
- Allowance for expected credit losses	619,635	101,500	-	-	721,135
- Lease liability - net	1,512,934	1,722,748	-	-	3,235,682
- Deferred government grant	7,735,075	10,023,815	-	-	17,758,890
- Re-financing Scheme for salaries and wages	(13,010)	13,010	-	-	-
	<u>12,763,624</u>	<u>118,889,982</u>	<u>2,787,077</u>	-	<u>134,440,683</u>

(Un-audited) (Audited)
December 31, June 30,
2023 2023
----- Rupees -----

5. STOCK-IN-TRADE

Raw materials		
- in hand	64,815,129	71,643,528
- in transit	-	30,811,348
	<u>64,815,129</u>	<u>102,454,876</u>
Packing materials	5,554,633	8,127,233
Work in process	40,285,059	35,348,344
Finished goods	194,530,797	143,434,226
Waste material	1,228,500	991,825
	<u>306,414,118</u>	<u>290,356,504</u>

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	Rupees	
6. LOANS AND ADVANCES			
Loans to employees	6.1	3,685,286	4,168,918
Advances:			
- to contractors		-	175,000
- to suppliers		9,964,238	10,792,118
		9,964,238	10,967,118
		13,649,524	15,136,036
6.1	This represents interest-free loans provided to employees in accordance with the Company's policy. These loan are repayable within one year and are recovered through deduction from salaries. These loans are secured against staff gratuity balances.		
		(Un-audited) December 31, 2023	(Audited) June 30, 2023
7. TRADE DEBTS - Unsecured	Note	Rupees	
Trade debts - gross		531,892,062	560,350,429
Less: provision for expected credit losses	7.1	(2,486,673)	(2,486,673)
Trade debts - net		529,405,389	557,863,756
7.1 Movement in provision for doubtful debts			
Balance at the beginning of the year		2,486,673	2,136,673
Reversal during the year		-	-
Charge recognized during the year		-	350,000
Balance at the end of the year		2,486,673	2,486,673
8. OTHER RECEIVABLES			
Receivable from Sana Logistics (Private) Limited		91,604,575	83,568,000
Receivable from Sana Distributors (Private) Limited		-	746,740
Receivable from LIEDA		33,196,021	33,196,021
Receivable from Sui Southern Gas Company Limited (SSGC)	19.1.1	12,109,241	-
Others		3,739,489	3,214,403
		140,649,326	120,725,164
9. TAX REFUNDS DUE FROM GOVERNMENT			
Income tax refundable		59,337,798	59,683,691
Sales tax refundable		12,484,599	24,126,602
		71,822,397	83,810,293
10. CASH AND BANK BALANCES			
Cash in hand		3,321,193	8,036,375
Cash at bank:			
- Balance held in current accounts		6,362,149	10,114,137
- Balance held in saving accounts		16,006,069	38,091,678
- Term Deposit Receipt (TDR)		1,500,000	1,500,000
		23,868,218	49,705,815
		27,189,411	57,742,190

			(Un-audited) December 31, 2023	(Audited) June 30, 2023
11.	ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	———— Rupees ————	
	(Unaudited) December 31, 2023	(Audited) June 30, 2023		
	— No. of shares —			
		Ordinary shares of Rs. 10/- each issued:		
	6,406,250	6,406,250	64,062,500	64,062,500
	13,558,750	13,558,750	135,587,500	135,587,500
	19,965,000	19,965,000	199,650,000	199,650,000
		- for cash		
		- as bonus shares		
12.	LEASE LIABILITY			
	Opening balance		43,211,652	29,187,915
	Payments made during the period / year		-	(11,495,264)
	Additions during the period / year		-	18,369,745
	Finance charges		3,303,963	7,149,256
			46,515,615	43,211,652
	Less: Current maturity shown under current liabilities		(13,903,014)	(12,656,659)
	Closing balance		32,612,601	30,554,993
13.	LONG TERM FINANCING- secured			
	Diminishing Musharaka	13.1	100,247,389	116,262,386
	Islamic Temporary Economic Refinance Facility (ITERF)	13.2	152,401,023	143,854,735
			252,648,412	260,117,121
13.1	Diminishing Musharaka			
	Balance at the beginning of the period / year		148,554,931	56,483,551
	Add: Loan obtained during the period / year		-	121,973,911
	Less: Repayments made during the period / year		(15,852,156)	(62,195,076)
	Balance at the end of the period / year		132,702,775	148,554,931
	As at the end of the period / year:			
	- Current maturity		32,455,386	32,292,545
	- Non-current maturity		100,247,389	116,262,386
			132,702,775	148,554,931
13.2	Islamic Temporary Economic Refinance Facility (ITERF)			
	Balance at the beginning of the period / year		184,528,021	93,998,330
	Loan obtained during the period		-	135,456,240
	Less: Element of government grant recognized as deferred income		-	(51,269,557)
			-	84,186,683
	Add: Interest recognized on unwinding of the liability		13,716,932	20,482,195
	Less: Installment paid during the period / year		(20,186,713)	(14,139,187)
			178,058,241	184,528,021
	Less: Current portion shown under current liabilities		(25,657,218)	(40,673,286)
			152,401,023	143,854,735

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	<i>Note</i>	Rupees	
14. DEFERRED LIABILITIES			
Deferred government grant	14.1	36,787,381	44,349,949
Staff retirement benefits- defined benefit plan (gratuity)	14.2	85,606,427	75,080,401
Provision for Gas Infrastructure Development Cess	14.3	62,790,691	57,993,763
		<u>185,184,499</u>	<u>177,424,113</u>
14.1 Deferred government grant			
Balance as at the beginning of the period /year		61,237,553	22,074,833
Add: Element of government grant recognized during the period /year		-	51,269,557
Less: Amortization of government grant during the period /year		<u>(8,466,811)</u>	<u>(12,106,837)</u>
		<u>52,770,742</u>	61,237,553
Less: Current portion shown under current liabilities		<u>(15,983,361)</u>	<u>(16,887,604)</u>
		<u>36,787,381</u>	<u>44,349,949</u>
14.2 Staff retirement benefits- defined benefit plan (gratuity)			
Present value of defined benefit obligation	14.2.1	(136,931,753)	(125,805,727)
Fair value of plan assets		<u>51,325,326</u>	<u>50,725,326</u>
		<u>(85,606,427)</u>	<u>(75,080,401)</u>
14.2.1 Movement in defined benefit obligation			
Opening defined benefit obligation		125,805,727	99,103,894
Current service cost		5,535,705	9,240,458
Interest cost		5,590,321	12,934,078
Benefits paid by the fund		-	(2,954,001)
Remeasurement loss on obligation		-	7,481,298
Closing defined benefit obligation		<u>136,931,753</u>	<u>125,805,727</u>
14.2.2 Movement in the fair value of plan assets			
Balance at beginning of the year		50,725,326	46,987,838
Expected return on plan assets		-	6,420,803
Contribution		600,000	2,400,000
Benefits paid by the fund		-	(2,954,001)
Remeasurement loss on plan assets		-	(2,129,314)
Balance at end of the year		<u>51,325,326</u>	<u>50,725,326</u>
14.2.3 Expense recognized in the statement of profit or loss			
Current service cost		5,535,705	9,240,458
Net interest expense		<u>5,590,321</u>	<u>6,513,275</u>
		<u>11,126,026</u>	<u>15,753,733</u>
<i>Allocation of the expenses:</i>			
- Cost of sales		4,450,410	6,301,493
- Administrative expenses		5,785,533	8,191,941
- Distribution cost		890,082	1,260,299
		<u>11,126,025</u>	<u>15,753,733</u>

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
		Rupees	
14.3	Provision for Gas Infrastructure Development Cess		
	Opening balance	57,993,763	49,471,304
	Unwinding of GIDC liability	4,796,928	8,522,459
		<u>62,790,691</u>	<u>57,993,763</u>
15.	SHORT TERM BORROWINGS -secured		
	From Banking companies		
	- <i>Istisna financing:</i>		
	Habib Metropolitan Bank Limited	15.1 252,259,415	141,227,933
	Habib Bank Limited	15.2 199,801,048	199,680,457
	Bank Al Habib Limited	15.3 26,708,916	16,808,253
		<u>478,769,379</u>	<u>357,716,643</u>
	- <i>Murabaha Financing:</i>		
	Habib Metropolitan Bank Limited	15.4 47,600,142	157,892,945
	Bank Al Habib Limited	15.5 97,862,517	108,190,756
		<u>145,462,659</u>	<u>266,083,701</u>
	- <i>Wakala financing:</i>		
	Dubai Islamic Bank Limited	15.6 189,925,434	229,839,751
	From related party		
	- Sana Distributors (Private) Limited	15.8 25,000,000	-
		<u>839,157,472</u>	<u>853,640,095</u>

15.1 Short-term Istisna financing has been obtained, under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 300 million (June 30, 2023: Rs. 300 million) as a sub limit of Murabaha Financing. The mark-up rate on the financing is 6 months KIBOR + 3% per annum (June 30, 2023: 6 months KIBOR + 3% per annum). The maximum tenor of the Istisna Financing is 180 days.

The above arrangements as well as the Murabaha financing arrangement referred to in note 14.4 are secured against the following:

- 1st charge registered over land, building and plant and machinery amounting to Rs. 550 million with 30 % margin (June 30, 2023: Rs. 550 million with the 30% margin);
- 1st charge registered over stocks / receivables amounting to Rs. 400 million (June 30, 2023: Rs. 400 million) with a 25% margin; and
- Personal guarantees of directors excluding independent directors.

15.2 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 200 million (June 30, 2023: Rs. 200 million). The mark-up rate on the financing is 6 months KIBOR + 1.5% per annum (June 30, 2023: 6 months KIBOR + 1.5% per annum). The maximum tenor of the Istisna Financing is 180 days.

The arrangement is secured against the following:

- 1st Pari Passu charge registered over land, building and plant and machinery amounting to Rs. 267 million with the 40% margin;(June 30, 2023 : Rs 267 million with the 40% margin)

N

- 1st charge registered over stocks / receivables amounting to Rs. 267 million with a 25% margin; (June 30 2023: Rs 267 million with the 25% margin); and
- Personal guarantees of directors namely : Mr. Muhammad Yunus Nawab, Mr. Muhammad Irfan Nawab, Mr. Muhammad Ibrahim Yunus , Mr. Muhammad Ismail Yunus and Mr. Faizanullah.

15.3 Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 50 million (June 30, 2023: Rs. 50 million). The mark-up rate on the financing is 6 months KIBOR + 1.75% per annum (June 30, 2023: 6 months KIBOR + 1.75% per annum). The maximum tenor of the Istisna Financing is 120 days.

The above arrangement as well as the Murabaha financing arrangement referred to in note 14.5 are secured against the following:

- Equitable mortgage charge registered over land, building and plant and machinery amounting to Rs. 551.328 million (June 30,2023: Rs. 551.328 million);
- pari passu charge registered over stocks / receivables amounting to Rs. 167 million with a 25% margin (June 30,2023: Rs.167 million with the 25% margin) and
- Personal guarantees of directors namely :Mr. Muhammad Irfan Nawab,Mr. Muhammad Yunus Nawab and Mr. Muhammad Ibrahim Yunus, covering aggregate exposure

15.4 Short term Murabaha Financing was obtained under shariah arrangement to finance the purchase of raw materials from local and foreign markets. The bank has approved a facility of Rs. 300 million (June 30, 2023: Rs. 300 million). The mark-up rate on the financing is 6 months KIBOR + 2% per annum (June 30, 2023: 6 months KIBOR + 2% per annum). The maximum tenor of the Istisna Financing is 150 days.

The arrangement is secured against the securities as mentioned in note no. 15.1.

15.5 Short term murabaha has been obtained, under shariah arrangement, to facilitate the import of raw material and other related items. The bank has approved a facility of Rs. 125 million (June 30, 2023: Rs. 125 million). The markup rate on murabaha facility is average KIBOR + 1.75% (June 30, 2023: average KIBOR + 1.75%) . The maximum tenor of the murabaha is 120 days.

The arrangement is secured against the securities as mentioned in note no. 15.3.

15.6 Short term wakala financing has been obtained under shariah arrangement for the purchase of raw material. The bank has approved the facility of Rs. 190 million (June 30, 2023: Rs. 190 million). The markup rate on the facility is matching KIBOR + 1.75% per annum (June 30, 2023: matching KIBOR + 1.75% per annum). The maximum tenor is 180 days.

The arrangement is secured against the following:

- CCG of M/s Sana Logistics (Private) Limited and M/s Sana Distributors (Private) Limited, and
- Personal guarantee of Mr. Irfan Nawab, Mr. Ibrahim Younus and Younus Nawab.

15.7 As at December 31, 2023, the Company had availed short term financing facilities amounting to Rs.50.84 million (June 30, 2023: Rs.11.5 million).

15.8 The Company obtained an unsecured financing facility from M/s. Sana Distributors (Private) Limited to finance its working capital requirements. The loan is interest free and repayable on demand.

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	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	———— Rupees ————	
16. TRADE AND OTHER PAYABLES		
Creditors	91,453,442	92,673,397
Advance from customers	65,226,981	103,821,855
Accrued expenses	87,870,476	26,018,020
Provision for gas tariff	79,017,042	79,017,042
Workers' Profits Participation	12,355,992	12,355,992
Workers' Welfare Fund payable	3,596,811	3,596,811
Sales tax payable	27,911,382	16,518,802
Withholding Income tax payable	7,107,733	5,484,188
Due to related party	522,445	500,000
Others	10,118,939	11,000,146
	385,181,243	350,986,253
17. LOANS FROM DIRECTORS - unsecured		
Loan from directors	10,900,000	5,100,000
18. ACCRUED MARKUP		
<i>Markup accrued on:</i>		
-Short term borrowings	37,750,306	50,646,224
-Long term financing- Diminishing Musharaka	1,092,210	5,261,709
	38,842,516	55,907,933
19. CONTINGENCIES AND COMMITMENTS		
19.1 Contingencies		

There has been no change in the status of the contingent liability as reported in note 28.1.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2023 except as discussed below:

- 19.1.1** During the period, the sale price of natural gas for "export oriented power" was increased by OGRA from Rs. 1,100 per MMBTU to Rs. 2,400 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated November 08, 2023. The said notification was challenged by the several petitioners in Sindh High Court (SHC) on constitution and factual grounds. The Sindh High Court passed interim order, dated December 18, 2023, suspending the said notification subject to the condition that the Company (i.e. the gas consumers) shall deposit the differential amount of Rs. 1,300 per MMBTU in cash with the Nazir of the Court in seven days and in case of failure of payment on two consecutive months, interim order shall be deemed as recalled in respect of the Company.

The company joined the case in February 13, 2024 to benefit from the said injunction. In view of the above, the company has paid the full amount of the gas bill for the month of November and December 2023 as per new notification of OGRA dated November 08, 2023 and based on the suspension of this notification in interim order of the Sindh High Court, the Company has not recorded provision for gas in its cost to the extent of Rs. 26.563 million.

The Company has paid excess amount of Rs. 12.109 million to SSGC with the bill of November 2023 up to the reporting date.

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	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	————— Rupees —————	
19.2 Commitments		
- Irrevocable letters of credit issued for purchase of raw materials and plant & equipment	<u>120,745,598</u>	114,659,718
- Custom duties, sales tax and income taxes on stock in transit	<u>-</u>	7,526,612
- Revolving letter of guarantee issued in favour of Sui Southern Gas Company Limited against gas bills	<u>44,517,771</u>	33,420,771
- Letter of guarantee issued by M/s Bank Al Habib Limited in favour of Director Excise & Taxation (Taxes-II), Karachi	<u>3,500,000</u>	3,500,000
	Half year ended (Un-audited)	
	December 31, 2023	December 31, 2022
	————— Rupees —————	
20. GROSS REVENUE		
Yarn sales - local	2,285,210,139	1,491,828,142
Raw material and wastage sales - local	8,805,271	4,347,814
	<u>2,294,015,410</u>	<u>1,496,175,956</u>
21. COST OF SALES		
Raw and packing materials consumed	1,263,548,176	947,555,161
Manufacturing expenses		
Stores and spares consumed	39,663,217	30,729,917
Salaries, wages and benefits	174,689,806	142,408,987
Fuel and power	286,364,519	127,950,386
Services procured	7,053,418	449,990
Repairs and maintenance	6,309,048	5,287,377
Vehicle repairs and maintenance	4,819,381	4,329,701
Insurance	2,155,928	1,657,072
Rent, rates and taxes	150,000	124,999
Depreciation on operating fixed assets	46,041,359	28,863,488
Security expenses	2,683,579	2,171,122
Other manufacturing expenses	9,893,779	11,835,809
	<u>579,824,034</u>	355,808,848
Work-in-process - opening stock	35,348,344	27,994,064
Work-in-process - closing stock	<u>(40,285,059)</u>	<u>(23,400,898)</u>
	<u>(4,936,715)</u>	4,593,166
Cost of goods manufactured	<u>1,838,435,495</u>	1,307,957,175
Finished goods - opening stock	143,434,226	173,477,436
Waste material- opening stock	991,825	344,425
Finished goods - closing stock	<u>(194,530,797)</u>	<u>(179,557,044)</u>
Waste material- closing stock	<u>(1,228,500)</u>	<u>(561,675)</u>
	<u>(51,333,246)</u>	(6,296,858)
	<u>1,787,102,249</u>	<u>1,301,660,317</u>

21.1 This includes an amount of Rs. 4.450 million (June 30, 2023: Rs. 6.301 million) in respect of staff retirement benefits

		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	Note	Rupees	
22. FINANCE COSTS			
Markup and interest charges on:			
- Long term finances		17,569,075	8,256,686
- Short term Islamic financing		101,603,273	66,527,078
- Lease liability		3,303,963	3,164,614
- Refinancing Scheme for payment of Wages and Salaries	13.2	-	217,290
- Financing under ITERF facility	13.2	13,716,932	7,221,597
- Amortization of related deferred government grant		(8,466,811)	(3,659,304)
		5,250,121	3,562,293
Bank charges		103,617	175,006
Finance charges on WPPF		-	1,807,400
Murabaha and D.M documentation charges		-	37,433
Interest on unwinding of the provision for Gas Infrastructure Development Cess	14.3	4,796,928	4,091,995
Guarantee Commission		211,500	184,370
Local letter of credit charges		118,763	-
		132,957,240	88,024,165
		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
		Rupees	
23. OTHER INCOME			
<i>Rental Income- net</i>			
Rental Income		7,800,000	9,259,800
Operations and maintenance charges		-	725,963
		7,800,000	9,985,763
<i>Less: Related expenses</i>			
Depreciation on property, plant and equipment		(3,278,044)	(3,569,345)
Depreciation on investment property		(5,080,634)	(5,247,949)
Insurance and property taxes		(466,368)	(471,990)
		(8,825,046)	(9,289,284)
		(1,025,046)	696,479
Returns on deposits - Islamic bank		966,243	757,299
Profit on Habib Islamic Investment Certificate		150,315	84,727
Profit on Term Deposit Receipt (TDR)		113,488	-
Dividend income		258,194	64,518
Unrealized gain on remeasurement of short term investment		40,234	5,276
Subsidy recoverable from LIEDA	8.1	-	17,026,035
Other		38,800	33,600
		542,228	18,667,934
24. TAXATION - net			
Current		24,363,611	19,161,208
Deferred		(42,844,791)	(78,778,418)
		(18,481,180)	(78,778,418)

25. **LOSS PER SHARE - BASIC AND DILUTED**

Basic loss per share

	Half Year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Loss after taxation (Rupees)	<u>(34,215,431)</u>	<u>(95,439,920)</u>	<u>(14,851,138)</u>	<u>(36,419,818)</u>
		(Restated)		(Restated)
Weighted average number of ordinary shares	<u>19,965,000</u>	<u>19,965,000</u>	<u>19,965,000</u>	<u>19,965,000</u>
		(Restated)		(Restated)
Loss per share - basic (Rupees)	<u>(1.71)</u>	<u>(4.78)</u>	<u>(0.74)</u>	<u>(1.82)</u>

25.1 In accordance with the requirement of the International Accounting Standard (IAS) 33 'Earnings Per Share', the basic earning per share of the Company for the half yearly period and the quarter ended December 31, 2022 has been retrospectively adjusted for the effect of bonus element contained in the issue of bonus shares made during the year ended June 30, 2023.

25.2 **Diluted loss per share**

There is no dilutive effect on the basic loss per share of the Company, since there were no potential ordinary shares in issue as at December 31, 2023 and December 31, 2022.

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. Remuneration of the Chief Executive, Directors and executives is disclosed in note 36 to the unconsolidated financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

	Six months period ended	
	December 31, 2023	December 31, 2022
<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	236,575	-
Sana Distributors (Private) Limited		
Rental income	-	1,459,800
Rent received	413,610	2,110,354
Reimbursement of operation and maintenance expenses	259,230	725,963
Payment of reimburseable expenses on behalf of the Company	135,844	-
Payment made by the Company against reimburseable expenses	39,500	-
Loan received	25,000,000	-
<u>KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS</u>		
Mohammad Irfan Nawab (Chief Executive officer)		
Loan obtained during the period	9,500,000	1,500,000
Loan repaid during the period	5,000,000	-
Ibrahim Younus (Director)		
Loan obtained during the period	1,000,000	1,125,000
Loan repaid during the period	1,000,000	1,125,000
Mohammad Faizanullah (Director)		
Loan obtained during the period	3,300,000	-
Loan repaid during the period	2,000,000	-
Afshan Irfan (Director)		
Loan obtained during the period	1,000,000	-
Loan repaid during the period	1,000,000	-

	December 31, 2023	June 30, 2023
<i>Balances with related parties at the end of the reporting period</i>	—————	—————
	Rupees	

SUBSIDIARIES

Sana Logistics (Private) Limited

Rent receivable	87,336,000	79,536,000
Receivable in respect of operation and maintenance expenses	4,032,000	4,032,000
Receivable in respect of reimburseable expense incurred by the Company	236,575	-

Sana Distributors (Private) Limited

Receivable from Sana Distribution (Private) Limited in respect of operation and maintenance expenses	-	746,740
Payable against reimburseable expenses	522,445	-
Loan payable	25,000,000	-

KEY MANAGEMENT PERSONNEL AND CLOSE FAMILY MEMBERS

Mohammad Irfan Nawab (Chief Executive officer)

Loan payable as of the reporting date	8,000,000	3,500,000
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Muhammad Faizanullah (Director)

Loan payable as of the reporting date	2,200,000	900,000
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Muhammad Younus Nawab (Director)

Loan payable as of the reporting date	500,000	500,000
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Ibrahim Younus (Director)

Loan payable as of the reporting date	200,000	200,000
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27. 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:

	Level 1	Level 2	Level 3	Total
	----- Amount in Rupees -----			
<u>As on December 31, 2023</u>				
<i>Financial assets measured at fair value</i>				
Short term investment in units of mutual funds	2,976,540	-	-	2,976,540
<u>As on June 30, 2023</u>				
<i>Financial assets measured at fair value</i>				
Short term investments	2,365,969	-	-	2,365,969

28. GENERAL

28.1 Date of authorization for issue of these interim financial statements

These condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 21 FEB 2024

28.2 Level of rounding

Unless otherwise indicated, all figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest rupee.


28.3 Reclassification of corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made in these condensed interim unconsolidated financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Advance against gas connection - Sui Southern Gas Company Limited (Other receivables)	Long term deposits and prepayments	<u><u>11,097,000</u></u>



Chief Executive Officer



Director



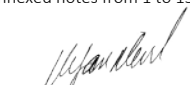
Chief Financial Officer

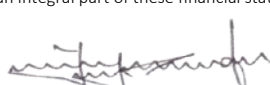
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SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)
AS AT 31 DECEMBER 2023 (UN-AUDITED)

	NOTE	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	921,496,783	975,045,698
Right-of-use assets		44,796,499	61,099,145
Intangibles		591,072	727,454
Long term advance		1,000,000	1,000,000
Long term deposits		13,853,051	2,756,051
Deferred tax asset - net		184,988,383	138,989,832
		1,166,725,788	1,179,618,180
CURRENT ASSETS			
Stock-in-trade	5	320,574,127	333,776,000
Stores and spares		27,031,365	19,003,955
Short term investments		19,607,110	19,308,682
Trade debts		779,604,165	781,346,479
Loans and advances		100,010,425	20,262,483
Trade deposits and short term prepayments		9,345,014	4,369,590
Other receivables		23,215,369	76,392,815
Tax refunds due from government		126,105,297	140,770,016
Cash and bank balances		35,507,655	76,196,579
		1,441,000,525	1,471,426,599
TOTAL ASSETS		2,607,726,313	2,651,044,779
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized share capital		200,000,000	200,000,000
Issued, subscribed and paid-up capital		199,650,000	199,650,000
Reserves		174,625,889	213,702,539
Equity attributable to the shareholders of holding company		374,275,889	413,352,539
Non controlling Interest	6	57,350,156	58,269,249
Total equity		431,626,045	471,621,788
NON CURRENT LIABILITIES			
Long term financing	7	257,583,279	263,050,026
Lease liability		53,833,315	56,802,630
Deferred liabilities	8	185,184,499	177,424,113
		496,601,093	497,276,769
CURRENT LIABILITIES			
Trade and other payables		521,017,801	492,611,533
Subordinated loan from Directors		20,000,000	20,000,000
Accrued profit		40,622,003	57,837,225
Loans from directors and associates		89,554,960	60,865,000
Current portion of long term loans from a banking company	7	58,112,604	78,946,771
Current maturity of lease liability		30,972,296	24,366,149
Current maturity of deferred government grant		15,983,361	16,887,604
Provident Fund payable		-	-
Unclaimed dividend		2,005,663	2,005,663
Short term Islamic finance	9	894,742,674	928,626,277
Deferred tax liability		6,487,814	-
		1,679,499,176	1,682,146,222
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		2,607,726,313	2,651,044,779

The annexed notes from 1 to 15 form an integral part of these financial statements.


 Chief Executive

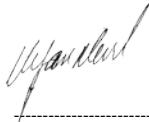

 Director


 Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
For the half year and quarter ended December 31, 2023 (unaudited)

	NOTE	Half Year ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		----- Rupees -----		----- Rupees -----	
Gross Turnover		3,374,094,976	2,434,394,762	1,594,676,350	1,230,602,986
less					
Sales tax , Commisions and discounts		(518,861,159)	(485,522,215)	(235,471,689)	(253,415,536)
		2,855,233,817	1,948,872,547	1,359,204,661	977,187,451
Cost of sales	11	(2,636,940,088)	(1,955,027,827)	(1,221,234,611)	(1,023,868,428)
Gross profit		218,293,729	(6,155,280)	137,970,050	(46,680,978)
Selling and distribution expenses		(57,673,016)	(15,331,820)	(30,218,931)	(7,762,077)
Administrative expenses		(70,751,362)	(59,771,456)	(44,653,151)	(24,921,423)
Other operating expenses		-	(1,135,609)	-	(1,135,609)
Operating profit		89,869,351	(82,394,166)	63,097,968	(80,500,086)
Finance cost		(144,923,844)	(98,150,896)	(82,983,200)	(54,109,216)
Other Income		3,050,520	42,289,164	(1,979,432)	19,008,374
Profit for the period before taxation		(52,003,973)	(138,255,897)	(21,864,664)	(115,600,929)
Taxation		12,927,323	52,429,102	(914,386)	62,715,472
Profit after taxation		(39,076,650)	(85,826,795)	(22,779,050)	(52,885,457)
Earning per share	12	(1.91)	(7.92)	(1.00)	(5.20)

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Executive



Director




Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the half year and quarter ended December 31, 2023 (unaudited)

	Half Year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----		----- Rupees -----	
Net loss for the period	(39,076,650)	(85,826,795)	(22,779,050)	(52,885,457)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(39,076,650)	(85,826,795)	(22,779,050)	(52,885,457)
Attributable to				
Owners Equity	(38,157,557)	(90,528,373)	(20,036,284)	(62,876,523)
Non-controlling interest	(919,093)	4,701,578	(2,742,766)	9,991,066
	(39,076,650)	(85,826,795)	(22,779,050)	(52,885,457)

The annexed notes from 1 to 15 form an integral part of these financial statements.


 Chief Executive


 Director


 Chief Financial Officer

SANA INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Issued, subscribed and paid-up capital	REVENUE RESERVES			Sub Total	Total equity attributable to the shareholders of Holding Company	Non-controlling interest
		General reserve	Share Premium	Un- appropriated profit			
Balance as at July 01, 2022	121,000,000	132,500,000	96,250,000	254,936,150	483,686,150	604,686,150	53,567,671
Final dividend paid for the year ended June 30, 2022	-	-	-	(12,100,000)	(12,100,000)	(12,100,000)	-
Total comprehensive income for half year ended December 31, 2022	-	-	-	(95,817,861)	(95,817,861)	(95,817,861)	9,991,066
Balance as at December 2022	121,000,000	132,500,000	96,250,000	147,018,289	375,768,289	496,768,289	63,558,737
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
Profit after taxation for the half year ended December 31, 2023	-	-	-	(39,076,650)	(39,076,650)	(39,076,650)	(919,093)
Non-controlling interest arising on a business combination	-	-	-	-	-	-	-
Balance as at December 31, 2023	199,650,000	132,500,000	96,250,000	(54,124,111)	174,625,889	374,275,889	57,350,156

The annexed notes from 1 to 15 form an integral part of these financial statements.


 Chief Executive

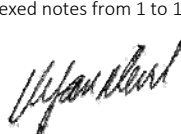

 Director


 Chief Financial Officer

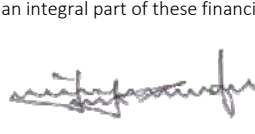
SANA INDUSTRIES LIMITED
CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT
For the half year and quarter ended December 31, 2023 (unaudited)

	NOTE	December 31, 2023	December 31, 2022
----- R u p e e s -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loss) before taxation		(52,003,973)	(138,255,897)
Add/(Less): Adjustments for:			
Depreciation		99,209,138	72,496,907
Loss/(Gain) on disposal of fixed assets		-	22,462
Profit on PLS account		(2,713,292)	(1,923,154)
Provision for gratuity		11,126,025	7,646,581
Amortization of government grant		-	(3,659,304)
Gain on disposal of short term investment		(40,234)	(5,276)
Dividend income		(258,194)	(64,518)
Provision for gas rate difference		-	7,116,811
Finance cost		144,923,844	98,150,896
Cash provided by operating activities before working capital changes		200,243,314	41,525,507
(Increase) in current assets	13	(4,403,053)	(148,064,334)
Increase in current liabilities	13	28,406,268	101,972,492
		224,246,529	(4,566,334)
Finance cost		(162,289,907)	(71,460,815)
Staff Compensation benefit paid		(600,000)	(3,672,827)
Payment of Workers' profit participation fund		-	-
Payment of Workers' Welfare Fund		-	-
Taxes paid		(34,049,613)	(33,004,167)
Net cash inflow from used in operating activities		27,307,009	(112,704,144)
Capital expenditure incurred		(24,276,943)	(222,555,948)
Profits received on bank accounts		2,713,292	1,926,468
Proceeds from sale of fixed assets		-	46,000
Net cash used in investing activities		(21,563,651)	(220,583,480)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Re-payment) of Short term Islamic finance		(33,883,603)	205,287,849
(Re-payment) of Diminishing Mushareqa		(17,016,691)	14,792,250
Loan received against Islamic Temporary Economic Refinance Facility		-	114,140,000
Loan repayment against Islamic Temporary Economic Refinance Facility		(20,186,713)	(2,933,071)
Payments of long-term / Lease Liability liability		(3,935,235)	(9,370,618)
Dividends paid		-	(12,071,563)
Loan received / (repayment) from directors and sponsors		28,589,960	13,065,000
Net cash inflow from/(used in) financing activities		(46,432,282)	322,909,848
Net (decrease)/increase in cash and cash equivalents		(40,688,924)	(10,377,776)
Cash and cash equivalents at beginning of the period		76,196,579	70,244,958
Cash and cash equivalents at end of the period		35,507,655	59,867,182

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

SANA INDUSTRIES LIMITED

NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

For the half year and quarter ended December 31, 2023 (unaudited)

1. THE GROUP AND ITS OPERATIONS

The group consist of Sana Industries Ltd. ("The Holding Company") and its subsidry companies Sana Logistics Pvt Ltd and Sana Distributors PvtLtd. Brief profile of Holding company and Subsidiary Company are as follows;

Sana Industries Limited (The Holding Company)

Sana Industries Limited (the Company) was incorporated in Pakistan as a public limited Company under the Companies Ordinance,

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

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

1.3 These condensed interim consolidated financial statements comprise of the Parent Company and its subsidiary company

<i>Name of subsidiary company</i>	<i>Effective % shareholding</i>
- Sana Logistics (Private) Limited	<u>70.00%</u>
- Sana Distributors (Private) Limited	<u>99.99%</u>

1.4 Sana Logistics Private Limited (The Subsidiary Company)

Sana Logistics Private Limited (the subsidiary Company) was incorporated in Pakistan as a private limited Company under the Companies Ordinance, 1984. The principle activity of the subsidiary company is to provide services in respect of Dry Storage through "compartmentalized store project.

1.5 Sana Distributors Private Limited (The Subsidiary Company)

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.

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) as notified under the Companies Act, 2017; 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, 2023.

The comparative balance sheet presented in this condensed interim consolidated financial information as at December 31, 2023 has been extracted from audited financial statements of the company holding company for the year ended June 30, 2023, whereas the comparative profit and loss account, statements of changes in equity and cash flow statements for the half year and quarter ended December 31, 2023 have been subjected to review but not audit.

3. ACCOUNTING POLICIES

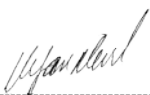
The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the preceding published annual financial statements of the company for the year ended June 30, 2023.

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, 2023.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees) -----	
4.1 TANGIBLE FIXED ASSETS		
Net book value (NBV) at the beginning of the period	972,321,024	725,935,064
Add: Additions to tangible fixed assets	24,276,943	388,802,558
Less: Disposals during the period (NBV)	-	3,740,957
Depreciation charged during the period	77,825,858	138,675,641
	77,825,858	142,416,598
Net book value (NBV) at the closing of the period	918,772,109	972,321,024
Capital work-in-progress	2,724,674	2,724,674
	921,496,783	975,045,698
	=====	=====
5. STOCK-IN-TRADE		
Raw and packing material		
- in hand	64,815,129	71,643,528
- in transit	-	30,811,348
	64,815,129	102,454,876
Work-in-process	40,285,059	35,348,344
Finished goods	208,690,806	186,853,722
Waste stock	1,228,500	991,825
Packing Material	5,554,633	8,127,233
	320,574,127	333,776,000
	=====	=====
6. INVESTMENTS		
Non-Controlling Interest		
Share of NCI (opening)	58,269,249	53,567,671
Share in (Loss) / Profit	(919,093)	4,701,578
Share of NCI (closing)	57,350,156	58,269,249
	=====	=====
7. LONG TERM FINANCING		
Diminishing musharaka	137,637,642	118,924,510
Islamic Auto Finance	-	270,781
Financing under ITERF	178,058,241	143,854,735
Financing under SBP Refinance Scheme for Payment of Salaries and Wages	-	-
	315,695,883	263,050,026
Less: Current portion	(58,112,604)	(50,106,416)
	257,583,279	212,943,610
	=====	=====
8 DEFERRED LIABILITIES		
Deferred government grant	36,787,381	47,504,430
Provision for compensated absences	-	111,501
Gas infrastructure development cess	62,790,691	53,563,299
Staff retirement benefits	85,606,427	56,101,549
	185,184,499	157,280,779
	=====	=====
9. SHORT-TERM ISLAMIC FINANCE - secured		
From commercial banks	894,742,674	865,729,706
	=====	=====
10. CONTINGENCIES AND COMMITMENTS		
10.1 Contingencies		
There were no major changes in the contingencies as reported in the financial statements for the year ended June 30, 2023 except as discussed below:		
During the period, the sale price of natural gas for "export oriented power" was increased by OGRA from Rs. 1,100 per MMBTU to Rs. 2,400 per MMBTU vide notification no. OGRA-10-3(8)/2023 dated November 08, 2023. The said notification was challenged by the several petitioners in Sindh High Court (SHC) on constitution and factual grounds. The Sindh High Court passed interim order, dated December 18, 2023, suspending the said notification subject to the condition that the Company (i.e. the gas consumers) shall deposit the differential amount of Rs. 1,300 per MMBTU in cash with the Nazir of the Court in seven days and in case of failure of payment on two consecutive months, interim order shall be deemed as recalled in respect of the Company.		
The company joined the case in February 13, 2024 to benefit from the said injunction. In view of the above, the company has paid the full amount of the gas bill for the month of November and December 2023 as per new notification of OGRA dated November 08, 2023 and based on the suspension of this notification in interim order of the Sindh High Court, the Company has not recorded provision for gas in its cost to the extent of Rs. 26.563 million.		
10.2 Commitments		
Custom duty and income tax on stock in transit	-	2,161,522
	=====	=====
Letter of guarantee issued by a commercial bank	147,517,771	33,420,771
	=====	=====
Irrevocable letter of credits	120,745,598	117,028,775
	=====	=====

	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- Rupees -----				
11. COST OF SALES				
Opening stock finished goods and waste	223,193,791	173,821,861	171,492,233	178,843,347
Cost of goods manufactured	2,663,950,662	1,961,324,685	1,299,946,743	1,025,143,801
Closing stock finished goods and waste	(250,204,365)	(180,118,719)	(250,204,365)	(180,118,719)
	<u>2,636,940,088</u>	<u>1,955,027,827</u>	<u>1,221,234,610</u>	<u>1,023,868,429</u>
12. EARNING PER SHARE - BASIC AND DILUTED				
Profit after taxation attributable to shareholders of the holding company	Rupees (38,157,557)	(95,817,861)	(20,036,284)	(62,876,523)
Issued ordinary shares	19,965,000	12,100,000	19,965,000	12,100,000
Basic and diluted earnings per share	Rupees (1.91)	(7.92)	(1.00)	(5.20)
13. WORKING CAPITAL CHANGES				
Decrease/(Increase) in current assets				
Stock-in-trade	13,201,873	94,767,297		
Stores and spares	(8,027,410)	(12,422,527)		
Short term investment	(298,428)	(14,985,116)		
Trade debts	1,742,314	(160,177,638)		
Advances	(79,747,942)	(32,139,628)		
Deposits, pre-payments and other receivables	62,522,460	(8,223,804)		
Sales tax refundable	6,204,079	(14,882,918)		
	<u>(4,403,053)</u>	<u>(148,064,334)</u>		
Increase/(decrease) in current liabilities				
Trade and other payables	28,406,268	101,972,492		
14. TRANSACTIONS WITH RELATED PARTIES				
The related parties comprise associated companies, staff benefit funds, directors and key management personnel. The transactions with related parties are as follows:				
Relationship	Nature of transaction			
Borrowings from Directors and family member		19,900,000	40,550,000	
Repayment of borrowings from Directors and family member		9,000,000	26,940,000	
Rent paid to director's family members		3,000,000	5,272,848	
		<u>21,900,000</u>	<u>72,762,848</u>	
15. GENERAL				
15.1	These financial statements were authorised for issue by the Board of Directors on 21st February, 2024 .			
15.2	Certain corresponding figures have been re-arranged wherever necessary for the purpose of comparison.			



Chief Executive



Director



Chief Financial Officer