

# SANA Industries Limited

33-D-2, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400  
Tel: 021-34322556-9, Fax: 021-32570833, E-mail: info@sana-industries.com

May 24, 2021

**The General Manager**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir,

**AUDITOR'S CERTIFICATE RIGHTS ISSUE – SANA INDUSTRIES LIMITED**

Reference to your letter no. PSX/C-580-245 dated March 01, 2021, we hereby confirm that 2,406,250 Right Shares offered by Sana Industries Limited (the "Company") have been fully subscribed.

We enclose herewith certificate from our statutory auditors confirming the receipt of full subscription money amounting to PKR 120,312,500/- against issue of right shares.

In this regard, you are requested to issue a No Objection Certificate ("NOC") in the name of Bank Al Habib Limited for release of subscription money to the Company.

Thank you.

Yours Truly



**Abdul Hussain Antaria**  
(Company Secretary)



Encl: Auditor's Certificate

May 24, 2021

The Company Secretary,  
**Sana Industries Limited**  
33-D-2, Block-6, P.E.C.H.S., Shahrah-e-Faisal,  
Karachi

**INDEPENDENT STATUTORY AUDITOR'S CERTIFICATE OF THE RECEIPT OF CASH PROCEEDS AGAINST SUBSCRIPTION OF RIGHT SHARES AND ALLOTMENT THEREOF IN THE NAME OF CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**

Dear Sir,

We refer to your email dated May 21, 2021 wherein you have requested us, in our capacity as the statutory auditors of **M/s. Sana Industries Limited** ("the Company"), to issue a certificate to the effect that the cash consideration due from the members of the Company (or other non-member persons) against the number of right shares subscribed by them has been received in full by the Company and that all the requirements with respect to allotment of shares in the name of Central Depository Company of Pakistan Limited (CDC) have been fulfilled by the Company. This certificate is required to be issued and submitted with CDC in accordance with the 'Procedure for Handling of Right into CDS' developed by CDC under Chapter 8AA of the Central Depository Company of Pakistan Limited Regulations (CDC Regulations).

**Management's responsibility**

Since the existing ordinary shares of the Company are book-entry securities deposited into CDS, in accordance with Chapter 8AA of the CDC Regulations, management of the Company is responsible for completing all the legal procedures and formalities in relation to the rights issue as laid down in the 'Procedure for Handling of Right into CDS' developed by CDC. This, in particular, requires the Company to:

- give notice, to CDC, of the announcement of rights issue not later than 15 business days prior to the commencement of the book closure period;
- complete and submit, with CDC, a Right Issue Set-up Form;
- issue confirmation, to CDC, regarding the allotment of Unpaid Rights in its name;
- issue, to sub-account holders, intimation letters regarding rights entitlement confirmation;
- obtain Right Subscription Requests and payment details from banker to the issue;
- issue request, to CDC, regarding authorization to upload data;
- obtain, from the statutory auditor, a certificate with respect to the receipt of subscription amount and allotment of shares in the name of CDC; and
- issue confirmation, to CDC, regarding the allotment of Paid Rights in its name.

In addition to above, the Company is also responsible for ensuring compliance with the provisions of the Companies Act, 2017 applicable to rights issue including, in particular, the provisions relating to filing of return of allotment (i.e. Form 3) within forty-five (45) days from the date of allotment.

**Auditor's responsibility**

In accordance with the *Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms* issued by the Institute of Chartered Accountants of Pakistan and *Annexure G to the 'Procedure for Handling of Right into CDS'* developed by CDC, we are responsible to certify whether the subscription amount has been received by the Company. Further, our responsibility includes certifying whether all the requirements with respect to allotment of shares in the name of CDC have been fulfilled by the Company.

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**Auditor's responsibility (continued)**

Hence, in this connection, we carried out certain verification procedures which are as follows:

- Inspected the certified true copy of the **resolution dated February 23, 2021 passed by the Board of Directors of the Company** wherein they had resolved to increase the paid up capital of the Company by issuance of further 2,406,250 ordinary shares of Rs. 120,312,500/- each to be offered to the existing members of the Company in proportion to their present shareholding as reflected in the register of members at the close of business as on March 22, 2021, in the ratio of 28 right shares for every hundred existing ordinary shares;
- Inquired management as to whether the Company has carried out the necessary legal procedures and formalities in relation to the rights issue as laid down in the 'Procedure for Handling of Right into CDS' developed by CDC (see 'Management's responsibility' section above) and we carried out the following further verification procedures:
  - ❖ Inspected the **Right Issue Set-up Form** submitted to CDC dated 8<sup>th</sup> March, 2021;
  - ❖ Inspected the confirmation issued to CDC regarding the **allotment of Unpaid Rights** in its name;
  - ❖ Inspected the **letters of offer of right shares** issued, by the Company, to its members to establish if the number of right shares offered to each member were strictly proportional to his percentage shareholding in the Company. In this regard, we verified the shareholding of each member, as on March 22, 2021, by reviewing the member register (uptdaed up to March 22, 2021);
  - ❖ Inspected the **letters of acceptance / decline of offer** issued, by the members, to the Company to establish whether the number of right shares offered to them were subscribed or declined;
  - ❖ With respect to the number of right shares offered to and subscribed / declined by the members, we inspected the corresponding **resolution dated May 18, 2021 passed by the Board of Directors** in order to ascertain the particulars of the members / non-members to whom the offered shares were finally allotted;
  - ❖ With respect to each person subscribing to the offer, checked whether the **cash consideration due** from him against the number of right shares subscribed has been duly received in full by the Company through inspection of copies of the corresponding cheques issued by the person and the corresponding credit entries reflected in the bank statement of the Company (account no. 5001-0980-009051-01-2 maintained with Bank AL-Habib Limited);
  - ❖ Inspected the **letter to CDC regarding authorization to upload data** relating to right issue of 2,405,406 shares;
  - ❖ Inspected the 'List of Successful Allottee (After Final Upload)' dated May 21, 2021 issued by CDC wherein the names of the sub-account holders (i.e. names of the persons who have subscribed the right shares) and the respective right shares to be credited into their accounts have been mentioned; and
  - ❖ Inspected the confirmation issued to CDC regarding the **allotment of Paid Rights** in its name.
  - ❖ Obtained management's representation that all requirements concerning allotment of shares in the name of CDC have been fulfilled.

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### Certificate

Based on our verification as referred to above, we hereby certify that:

- The **cash consideration due** from the subscribing persons against the number of right shares subscribed by them has been duly received in full by the Company; and
- All the requirements with respect to allotment of right shares in the name of CDC have been fulfilled by the Company which is evidenced by the resolution dated May 18, 2021 passed by the Board of Directors of the Company as well as the 'List of Successful Allottee (After Final Upload)' dated May 21, 2021 issued by CDC (as referred to above).
- Once the right shares have been credited to the CDS sub-accounts of the subscribing persons, the revised paid up capital of the Company will be **Rs. 110,000,000**.

### Restriction on use and distribution

This certificate is issued at your request for the purpose of onward submission to Central Depository Company of Pakistan Limited and Pakistan Stock Exchange Limited. Further, it is not to be used for any other purpose or distributed to any other parties. The certificate is restricted to the facts stated herein and is not an assurance report.

Yours truly,

  
**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Karachi