

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the shareholders of the Sana Industries Limited will be held on Wednesday, the 27th of October, 2021 at 5.00 P.M at the Company's Office, situated at 33-D-2, Block 6, P.E.C.H.S., Karachi to transact the following business:-

ORDINARY BUSINESS:

- (1) To read and confirm the minutes of Extra Ordinary General Meeting held on 18th February, 2021.
- (2) To receive and adopt the audited financial statements of the Company for the year ended 30th June, 2021, together with the Auditors' Report and Directors' Report thereon.
- (3) To consider and approve Final cash dividend of 15% for the year ended 30th June, 2021 (In addition to Interim Dividend @ 10% already paid during the year) aggregating the total distribution of cash dividend @ 25% for the year ended 30th June 2021, as recommended by the directors.
- (4) To appoint Auditors of the Company for the year ended 30th June, 2022. The present Auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

Ordinary Resolution

- (5) To Ratify and approve transactions conducted with Related Party for the year ended June 30, 2021 by passing the following ordinary resolution with or without modification:

"RESOLVED that the transactions conducted with Related Party as disclosed in Note 43 of the unconsolidated financial statements for the year ended June 30, 2021 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed."

- (6) To authorize the Chief Executive Officer of the Company to approve transactions with Related Party for the financial year ending June 30, 2022 by passing the following ordinary resolution with or without modification:

"RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve the transactions to be conducted with Related Party on case to case basis for the financial year ending June 30, 2022."

"FURTHER RESOLVED that these transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

Special Resolution

- (7) To consider the amendment in Article No. 83 of the Articles of Association of the Company and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

"RESOLVED THAT the Article 83 of the Articles of Association of the Company be and is hereby substituted as under:

83. "A person shall be eligible for appointment as a director of the Company if he is a member of the Company relaxable in the case of a person representing a member which is not a natural person."


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ANY OTHER BUSINESS:

- (8) To transact any other business with the permission of the Chair.

By Order of the Board


(Abdul Hussain Antaria)
Company Secretary

Karachi: 5th October, 2021

NOTES:

1. **Closure of Share Transfer Books**

The share transfer books of the Company shall remain closed from 20-Oct-2021 to 27-Oct-2021 (both days inclusive). Transfers received in order at the office of Share Registrar CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block B, SMCHS, Karachi-74400 by the close of business on 19-Oct-2021 will be considered in time to attend and vote at the meeting.

2. **Participation in General Meeting**

An individual beneficial owner of shares must bring his/her original CNIC or Passport, Account and Participant's I.D. numbers to prove his/her identity. A representative of corporate members, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee, CDC account holders will further have to follow the guidelines as laid down in Circular 1 dated 28th January, 2000, issued by the Securities and Exchange Commission of Pakistan.

A member entitled to attend and vote at the meeting may appoint another member as his/her proxy in writing to attend the meeting and vote on the member's behalf. Proxies in order to be effective must be received at the Company's Registered Office, 33-D-2, Block-6, P.E.C.H.S., Karachi (Phone No.34322556-59) not later than 48 hours before the time of holding the meeting and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy.

Members are requested to notify their change of address, Zakat declaration (CZ-50) and tax exemption certificate (if any) immediately to Company's Share Registrar CDC Share Registrar Services Limited.

3. **Submission of the CNIC/NTN details (Mandatory)**

In accordance with the notification of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 779(1)/2011 dated 18 August 2011 and SRO 83(1)/2012 dated 5 July 2012, dividend counters in electronic form should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, Members who have not yet submitted photocopy of their valid CNIC or NTN in case of corporate entities are requested to submit the same to the Companies' Share Registrar in case of non-compliance, the Company shall withhold credit of dividend as per law.

4. **Payment of Cash Dividend Electronically (Mandatory Requirement)**

In accordance with the provision of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations 2017, it is mandatory that dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Notice in this regard have already been published earlier in newspapers as per Regulations. Those shareholders who have still not provided their IBAN are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and send it duly signed along with a copy of valid CNIC to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to Company's

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Share Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block B, SMCHS, Karachi-74400 (in case of shareholding in Physical Form).

1.	Shareholder's details	
	Name of the Shareholder(s)	
	Folio No./CDS Account No(s)	
	CNIC No (copy attached)	
	Mobile / Landline No	
2.	Shareholders' Bank details	
	Title of Bank Account	
	International Bank Account Number (IBAN)	
	Bank's Name	
	Branch's Name and Address	

5. Withholding Tax on Dividend:

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and currently, the deduction of withholding tax on the amount of dividend paid by the companies based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% and 30% respectively where 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (<http://www.fbr.gov.pk/>) and 'Non-Active' means a person whose name is not being appeared on the Active Taxpayers List.

In case of joint account, each holder is to be treated individually as either 'Active' or 'Non-Active' and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total No. of Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding Proportion (No. of shares)	Name & CNIC No.	Shareholding Proportion (No. of shares)

The required information must reach the Share Registrar of the Company before the close of the business on October 16, 2020 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Shareholder(s).

As per FBR Circulars C. No.1 (29) WHT/2006 dated 30 June 2010 and C. No.1 (43) DG (WHT)/2008-Vol. II-66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to the Company's Share Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL), before book closure otherwise tax will be deducted on dividend as per applicable rates.

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In case of non-provision of IBAN, the Company will have to withhold the cash dividend according to SECP directives.

6. Electronic Transmission of Audited Financial Statements & Notices

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its Members through e-mail. Accordingly, Members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail.

Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice. Annual Financial Statements will be sent at your registered address, as per normal practice.

7. Video Conference Facility

Members can avail video conference facility, in this regard, please fill the following and submit to head office of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

"I/We, _____ of _____, being a member of Sana Industries Limited, holder of _____ ordinary shares(s) as per Registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____".

8. Deposit of Physical Shares in CDC Accounts:

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017.

The shareholders having physical shareholding may please open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form.

For any query/information, the investors may contact the Company's Share Registrar.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

A Statement under Section 134(3) of the Companies Act, 2017 pertaining to the Resolutions is appended below:

Ordinary resolution

AGENDA NO.5 – TRANSACTIONS WITH SUBSIDIARY COMPANY.

The Company in the normal course of business carries out transactions with its subsidiary Company Sana Logistics (Private) Limited for re-imbursement of Rent, Electricity, Maintenance, Health Insurance and Contractor payments etc. amounting Rs.41.04 million.

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MATERIAL FACTS TO BE DISCLOSED AS REQUIRED BY CLAUSE A(4) OF SRO 423(I)/2018 DATED APRIL 03, 2018 REGARDING ALTERING ARTICLES OF ASSOCIATION OF THE COMPANY U/S.38 OF THE COMPANIES ACT, 2017

S.#	Facts to be disclosed	Facts	
		Existing	Amended
i	Comparative statement Article 83 of the Articles of Association	The qualification of a Director shall be his holding of shares of the nominal face value of Rs.25,000/- at least, in his own name, relaxable in the case of Directors representing interest holding shares of the requisite value.	A person shall be eligible for appointment as a director of the Company if he is a member of the Company relaxable in the case of a person representing a member which is not a natural person.
ii	Reasons for change of Article 83 of Articles of Association of the Company	At present Article No. 83 of the Articles of Association of the Company provides that the qualification of a director is his holding of shares at-least of the nominal face value of Rs.25,000/- , however, as per Section 153(i) of the Companies Act, 2017 a person is eligible for appointment as a director of the company if he is a member of the company. The present provision of the Article 83 is not in confirmative with section 153 of the Companies Act, 2017, therefore, Article 83 of the Articles of Association of the Company is proposed to be substituted accordingly.	
iii	Statement that the proposed alteration is in line with the applicable provisions of the law and regulatory frame work.	It is confirmed that the proposed alteration is in line with the applicable provisions of the law and regulatory frame work.	

INTEREST OF DIRECTORS IN SPECIAL BUSINESS

The Directors are interested in the special businesses only to the extent of their shareholding in the Company.
