

SANA Industries Limited

33-D-2, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400
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Ref: SIL/3012/2016-52

December 30, 2016

The Manager,
Companies & Securities Compliance - RAD
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Attn: Hafiz Maqsood Munshi.

Dear Sir

RE.: NON-COMPLIANCE OF CODE OF CORPORATE GOVERNANCE (COCG)

This is with reference to your letter no. PSX/C-580-9365 dated December 20, 2016 regarding the captioned subject; we'd like to explain the matter as follows;


Currently the Company is engaged in a number of business segments clubbed under one umbrella. From the operational viewpoint, as disclosed in note 38 to the published financial statements, the operating businesses of the Company are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Due to this reason more executive directors are required to manage each separate segment of the Company. However, the management is cognizant of the difficulties of managing multiple segments under one entity's banner. Therefore, the management is on course of restructuring the business activities by offloading operating segments into separate legal entities by June 30 2017. By doing so the Company will be able to have fewer executive directors to manage its core business.

Therefore, we request your honor to condone the aforementioned non-compliance up to the end of financial year ending as at June 30 2017.

Thanking you,

Yours faithfully,
For SANA INDUSTRIES LIMITED


(Authorized Signatory)