

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of the shareholders of the Sana Industries Limited will be held on Friday, the 28th of October, 2022 at 3.30 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 Annual General Meeting held on 27th October, 2021.
- (2) To receive and adopt the audited financial statements of the Company for the year ended 30th June, 2022, together with the Auditors' Report and Directors' Report thereon.
- (3) To consider and approve Final cash dividend of 10% for the year ended 30th June, 2022 as recommended by the directors.
- (4) To appoint Auditors of the Company for the year ended 30th June, 2023. 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, 2022 by passing the following ordinary resolution with or without modification:

“RESOLVED that the transactions conducted with Related Party as disclosed in Note 42 of the unconsolidated financial statements for the year ended June 30, 2022 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, 2023 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, 2023.”

“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.”

- (7) To discuss and approve the revision of rent of warehouse rented to Sana Logistics (Private) Limited.

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: 6th October, 2022

NOTES:

1. Closure of Share Transfer Books

The share transfer books of the Company shall remain closed from 21-Oct-2022 to 28-Oct-2022 (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 20-Oct-2022 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 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 19, 2022 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.

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.

9. Mandatory Information of Physical Shareholders:

According to Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar at CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400. Tel. Toll Free: 0800-23275, Email: info@cdcsrsl.com immediately to avoid any non-compliance of law or any inconvenience in future

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

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-imburement of Rent, Electricity, Maintenance, Health Insurance and Contractor payments etc. amounting Rs.34.86 million.

The Company in the normal course of business carries out transactions with its subsidiary Company Sana Distributors (Private) Limited for re-imburement of Rent, Electricity, Maintenance, Health Insurance and Contractor payments etc. amounting Rs.4.11 million.

Majority of the directors were interested in these transactions due to common directorship in associated Company, which have to be approved by the shareholders in the General Meeting. Therefore, the transactions carried out during the financial year ended June 30, 2022 are being placed before the shareholders for their consideration and approval / ratification.

All related party transactions, during the year 2022, were reviewed and approved by the Audit Committee and the Board in their respective meetings. The transactions with related party were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method.

AGENDA NO.6.

To authorize the Chief Executive Officer of the Company to approve transactions with Related Party for the financial year ending June 30, 2023 which shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.

AGENDA NO.7.

Sana Logistics (Pvt.) Limited (SLPL) is a subsidiary of Sana Industries Limited (SIL), SIL holds 70% shareholding in SLPL. SIL has rented out its warehouse facility having covered area of 113,275 square feet alongwith Cold Storage Machinery situated at Plot No.54, Deh Gondpass, Tapo Gabopat, Keamari Town, Karachi; also a dry-warehouse facility at Hub Chowki to SLPL since the last five and a half years.

In terms of the agreement executed on 01-04-2017, the agreed amount of rent of Rs.2,664,000/- per month also included the rent of cold storage machinery and Rs.336,000/- for other facility at Hub Chowki. During the agreement period of over five and half years, on 30-6-2018 that the Cold Storage Machinery was sold by the company to SLPL at a price of Rs. 116 million. The facility at Hub Chowki was taken back by the company for its own use in September 2021. However, in this respect no addendum to the said agreement was made for revision of rent on account of the sale of rented Cold Storage Machines to SLPL.

The management of SLPL vide its letter dated 3rd June 2022 requested the company to take cognizance of the prevailing situation and consider a revision in the amount of monthly rentals in view of the competitiveness as well as to factor in the effect of the Cold Storage Machines sold out and Hub Chowki facilities vacated. SLPL also stated that the logistics industry has over the last two years witnessed severe competition and a number of new entrants emerged in the area offering competitive prices and offered warehousing space at substantially economical rents. The management of SLPL also informed the company of the problems it faced because of competition, so much so that its major clients re-negotiated substantial cuts in contracted price for our warehousing services.

The company had after due deliberation of the matter decided to get the survey done by an independent surveyor. The company engaged the services of a "Pakistan Banks Association" approved surveyor for assessment of rental value of the existing warehouse facilities rented-out by the company to SLPL. The surveyor submitted its report dated June 20, 2022 to the company and given its own estimate of fair rental value for the company's warehouse rented to SLPL.

Based on the report of surveyor and recommendation of the Board of Directors, keeping in view the circumstances mentioned above, the company here by proposes to fix the rent at the rate of Rupees 1,300,000/- per month w.e.f. July 01, 2022, subject to approval of shareholders.

The Surveyors Report and SLPL letter can be inspected during business hours at the registered office of the SIL.

DIRECTORS' INTEREST IN THE SPECIAL BUSINESS

The directors are not interested in the above special business, other than their shareholding in Sana Industries Limited and associated companies.