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

MINUTES OF THE 36TH ANNUAL GENERAL MEETING OF M/S. SANA INDUSTRIES LIMITED HELD ON MONDAY THE 27TH OCTOBER, 2021 AT 5:00 P.M. AT 33-D-2, P.E.C.H.S., BLOCK-6, KARACHI

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40 Shareholders holding total of 8,992,953 Shares, representing 81.75% of the total outstanding Shares were present.

The meeting started at 5:00 p.m. as approved by Pakistan Stock Exchange, under the Chairmanship of Mr. Ibrahim Younus, the Chairman of the Company. On confirmation of enough members to form quorum, in accordance with Clause 60 of the Articles of Association of the Company, the proceedings started.

PROCEEDINGS

The meeting commenced with the recitation of Holy Quran by Mr. Ismail Younus.

The Chairman requested Mr. Abdul Hussain Antaria, the Secretary of the Company to read out the Notice and Agenda of the meeting and minutes of the Extra Ordinary General Meeting held on 18th February, 2021. The Notice and Agenda of the meeting were already circulated. Mr.M.Ilyas, Folio No.10231-753 proposed that the Minutes of the Extra Ordinary General Meeting held on 18th February 2021 be taken as read. Proposed by Mr. Mohammed Ali Folio No.06445-18582 and seconded by Sh.Mohammed Nasir, Folio No. 06684-89378, it was unanimously:-

RESOLUTION

"RESOLVED that the Minutes of the Extra Ordinary General Meeting held on 18th February, 2021, be and are hereby confirmed."

The Chairman then invited the Shareholders to review the audited accounts of the Company. The Shareholders were already served with annual audited accounts of the Company (Both Unconsolidated and Consolidated) for the year ended 30th June, 2021, along with the Directors' and Auditors' Reports thereon. The shareholders enquired about the future prospects, Mr. Muhammad Faizanullah explained that the Company as announced earlier is going for expansion of approx. 8,100 spindles (equivalent) which is about 25.72% of the current capacity. Its total cost was estimated at Rs.400 million, but due to inflated Dollar prices, it may go up by 10% and the production with enhanced capacity will commence by 1st financial quarter of 2022-23 and as per the present situation of the local market, the management hopes for improvement in the profitability.

After detailed discussions, and further briefings by the Directors of the Company to the shareholders, proposed by Mr. M. Ilyas, Folio No. 10231-753 and seconded by Mr. Muhammed Ali, Folio No.06445-18582, it was unanimously:-

RESOLUTION

"RESOLVED that the Audited Accounts of the Company for the year ended 30th June, 2021 together with the Review report by the Chairman, Directors' Report and Auditors' Report thereon be and are hereby adopted and approved."

The Chairman then brought next item of the Agenda to the Notice of the Shareholders regarding the approval of a final cash dividend of Rs.1.50 per Share (15%), 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. In this regards Mr. M. R. Monem Foilo No.06452-20900 suggested that the Stock Dividend (Bonus shares) @ 10% as announced by the Board of Directors should also be mentioned in the Agenda for information of the shareholders.

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Proposed by M. R. Monem Foilo No.06452-20900, and seconded by Syed Mukhtar Ali, Folio No.04143-19760, it was unanimously:-

RESOLUTION

"RESOLVED that the Final Dividend at Rs.1.50 Per Share (15%) 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 be approved, to be paid to all such Shareholders whose names appeared in the Share Register on the close of business on 19th October, 2021."

The Chairman then brought the next item of the agenda to the notice of Shareholders regarding the appointment of the Auditors, he informed the Members that the retiring Auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq,, Chartered Accountants, being eligible to be re-appointed as Auditors of the Company for the year 2021-2022, has offered themselves for re-appointment. In this connection, Mr.M.R.Monem enquired about the rules for change in Auditors, to which Mr.Muhammad Faizanullah replied that the change of Auditors can be made in five years or if we keep the same firm then change of engagement partner of the firm should be made. After detailed discussions, proposed by Mr. Mohammed Qasim Folio No.0208-543 and seconded by Mr. Ashfaq Ahmed, Folio No.03277-8783, it was unanimously:

RESOLUTION

"RESOLVED that M/s. Rahman Sarfaraz Rahim Iqbal Rafiq be appointed as Auditors for the year 2021-2022, with remunerations to be negotiated by the Directors.

Special Business

The Chairman then brought the next item of the Agenda, that the transactions conducted with Related Parties as disclosed in Note No.42 of the audited unconsolidated financial statements for the year ended June 30, 2021, be approved as an ordinary resolution.

After detailed explanation, proposed by Mr. Mohammed Ali Folio No.03277-41419, and seconded by Syed Mukhtar Ali, Folio No.04143-19760, it was unanimously:-

RESOLUTION

"RESOLVED that the transactions conducted with Related Parties as disclosed in Note 42 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."

Special Business

The Chairman then brought the next item of the Agenda, that the Chief Executive Officer of the Company be authorized to approve all the transactions carried out and to be carried out in normal course of business with Related Parties during the ensuing year ending June 30, 2022 and in this connection the Chief Executive Officer be authorized to take any and all necessary actions and sign / execute any and all such documents / indentures as may be required in this regard on behalf of the Company, and be approved as an ordinary resolution. Proposed by Mr. M. Ilyas, Folio No.10231-753, and seconded by Mr. Yousuf Khan Folio No.7450-25890, it was unanimously:-

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RESOLUTION

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

"FURTHER RESOLVED that these transactions by the Chief Executive Officer 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 Business

The Chairman then brought the next item of the Agenda, to consider the amendment in Article No.83 of the Articles of Association of the Company, as specified in the Statement of Material Information under Section 134(3). Proposed by Mr.M.R.Monem Foilo No.06452-20900 and seconded by Mr.Ashfaq Ahmed Folio No.03277-8783, it was unanimously:

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."

There being no other business, the meeting terminated with a vote of thanks to the chair.

(CHAIRMAN)

CERTIFIED TRUE COPY
For Sana Industries Limited
Company Secretary