



Annual Report

2024

Sardar

Chemical Industries Limited



ISO 9002 CERTIFIED



ANNUAL REPORT 2024

CONTENTS	PAGE NO.
Company Information	2
Notice of Annual General Meeting	4
Mission Statement and Statement of Ethics and Business Practices.....	7
Chairman’s Review Report.....	8
Directors’ Report to the Shareholders.....	9
Key operating and finance data for last six years.....	12
Statement of Compliance with the code of Corporate Governance	13
Review Report to the Members on the Statement of Compliance with the Best Practices of Code of Corporate Governance.....	16
Auditors’ report to the Members	17
Balance Sheet	21
Profit and Loss Account	22
Statement of Comprehensive Income	23
Statement of Changes in Equity	24
Cash Flow Statement.....	25
Notes to the Financial Statements	26
Pattern of Share Holdings	44
Categories of Share Holders.....	45
Notice of Annual General Meeting (Urdu)	47
Directors’ Report to the Shareholders (Urdu).....	50
Ballot Paper	53
Form of Proxy	54

COMPANY INFORMATION

CHIEF EXECUTIVE

Mrs. Reema Ayaz

DIRECTORS

Mr. Shahid Aziz (NIT Nominee)
Mr. Niaz Ahmed Chughtai
Mr. Fayyaz Ahmed Khan
Mr. Aitzaz Ahmad Tarar
Mrs. Tayybah Mahmood Sadiq
Mr. Abdul Rehman Qureshi

AUDIT COMMITTEE

Mr. Aitzaz Ahmad Tarar
Mrs. Tayybah Mahmood Sadiq
Mr. Fayyaz Ahmed Khan

COMPANY SECRETARY

Mr. Niaz Ahmed Chughtai

AUDITORS

Aslam Malik & Co.,
Chartered Accountants

HR & REMUNERATION

Mr. Aitzaz Ahmad Tarar
Mrs. Tayybah Mahmood Sadiq
Mr. Fayyaz Ahmed Khan

BANKERS

Allied Bank of Pakistan Ltd.
Askari Bank Ltd.

LEGAL ADVISORS

Mr. Javaid Iqbal Malik, Advocate

HEAD OFFICE/SHARE DEPARTMENT

2-A, 2nd Floor, Canal Bank Road,
Justice Sardar Iqbal Road, Aziz
Avenue, Gulberg-V, Lahore, Pakistan.
Ph: (042) 35711154, 35710148
Fax: (042) 35775706
E-Mail: info@sardarchemicals.com
Web: www.sardarchemicals.com

REGISTERED OFFICE/ FACTORY

Plot. No. 29-B, Road No. 01,
Gadoon Amazai, Industrial Estate,
Topi, Ganduf Road, Swabi (KPK)
Ph: (0938) 270792, 270439, 270539
Fax: (0938) 270791

REGISTRAR/TRANSFER AGENT

Corplink (Pvt.) Ltd, Wings Arcade,
1-K, Commercial, Model Town, Lahore
Ph: 042-35916714, 35916719
Fax: 042-35839182

SARDAR CHEMICAL INDUSTRIES LIMITED **NOTICE OF ANNUAL GENERAL MEETING**

The 35th Annual General Meeting of SARDAR CHEMICAL INDUSTRIES LIMITED will be held at Plot No. 29-B, Road No. R-1, Gadoon Amazai Industrial Estate, Topi, Ganduf Road, District Swabi, K.P.K. on Monday 28th October 2024, at 11:00 A.M. to transact the following business: -

ORDINARY BUSINESS

1. To confirm the minutes of 34th Annual General Meeting held on 27th October 2023.
2. To receive, consider and adopt the audited Financial Statements for the year ended June 30, 2024, together with the Chairman's Review Report the Directors' and Auditors', Report thereon. In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:

<https://sardarchemicals.com/financial-report/>



3. To declare and approve a final cash dividend of 20% i.e. Rs.2/- per share as recommended by the board of directors
4. To appoint Auditors for the year ended June 30, 2025, and fix their remuneration.

SPECIAL BUSINESS

1. To enhance the remuneration of the Chief Executive and Working Director.
 - i. Chief Executive to Rs. 400,000/- P.M.
 - ii. Working Director to Rs. 400,000/- P.M.

A statement of material fact under section 134(3) of the Companies Act, 2017 relating to the aforesaid special business to be transacted at the said Annual General Meeting is being sent to the shareholders along with the notice.

ANY OTHER BUSINESS

2. To transact any other business with the permission of the chair.

Lahore
7th October, 2024

By Order of the Board
Company Secretary

Notes:

- I. The Share Transfer Books of the Company will remain closed from 22-10-2024 to 28-10-2024 (both days inclusive).
- II. **FOR ATTENDING THE MEETING**
In case of Individuals, the account holder and for sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/ her identity by showing his/ her original CNIC or original passport at the time of attending the meeting.
In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
- III. **FOR APPOINTING PROXIES**
In case of individuals, the account holder and for sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

The proxy shall produce his original CNIC or original passport at the time of meeting.

In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

- IV. The members are requested to notify immediately the change in their address if any.
- V. Members who have not yet submitted their attested copy of their Computerized National Identity Card to the Company are requested to send the same at their earliest.
- VI. According to SECP circular No. 5 of 2020, members can also share their comments/ suggestions on the above agenda on Whatsapp number 0300-8429502 or by email at info@sardarchemicals.com, cc: nac.blacksmith@gmail.com
- VII. The Securities and Exchange Commission of Pakistan has allowed listed Companies, through its S.R.O. No. 389(I)/2023 dated 21-03-2023 to circulate the Annual Audited Financial Statements to their members through QR-enabled code and weblink instead of transmitting the Annual Audited Financial Statements through CD/DVD/USB. The Company shall circulate Annual Audited Financial Statements through email address in case it has been provided by the member to the Company, and upon demand, supply hard copies of the Annual Audited Financial Statements to the shareholders free of cost upon receipt of a duly completed Request Form, which may be obtained from the Company's website i.e. <https://sardarchemicals.com/wp-content/uploads/2022/10/Accounts-Circulation-Form.pdf>.
- VIII. As allowed by the SECP vide Circular No. 10 of 2014 Dated May 21, 2014 members can avail video conference facility to participate in this Annual General Meeting provided that the Company receive consent from the members holding in aggregate 10% or more shareholding at least 10 days prior to the date of meeting subject to availability of such facility in that city.
- IX. To enable the Company to make a tax deduction on the amount of cash dividend at the respective rates of filer and non filer, all shareholders who are filers of tax return are advised to make sure that their names are entered in the Active Taxpayers List (ATL) provided on the website of FBR. Corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to our Share Registrars M/s Corplink (Pvt.) Ltd. The FBR vide its clarification letter no 1(54) exp of September 25, 2014 has clarified that holders of shares held in joint accounts will be treated individually as filers or non-filers and tax will be deducted according to the proportionate holding of each shareholder.
- X. The members are requested to intimate Title of Bank Account, Bank Account IBAN (24 digits), Bank Name, Bank Branch Name, Complete Address of Bank Branch and Code of Bank Branch etc.
- XI. The shareholders intended to participate in AGM through electronics mean, are hereby requested to get themselves registered with the Company by providing the required details (Name, CNIC Number, Folio CDC Account Number, Cell Number & E-Mail ID for their identification) by the end of business on 25 October 2024 through email at info@sardarchemicals.com, cc: nac.blacksmith@gmail.com and / or through Mobile / WhatsApp no. 0300-8429502.
- XII. Shareholders having physical shareholding are requested to convert their shares in book-entry form by opening CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form.
- XIII. Member of the Company will be allowed to exercise their right to vote through e-voting facility or voting by post in its forthcoming Annual General Meeting to be held on Monday, October 28, 2024 at 11:00 A.M. in accordance with the conditions mentioned in the aforesaid regulations.

Details of the e-voting facility will be shared through by Corplink (Private) Limited being the e voting service provider through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company. E-Voting lines will start from October 25, 2024, 09:00 A.M. and shall close on October 27, 2024 at 5:00 P.M.

For Voting through Postal Ballot Members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018. The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's Registered Office at Plot No. 29-B, Road No. R-1, Gadoon Amazai Industrial Estate, Topi, Ganduf Road, District Swabi, K.P.K., or email at info@sardarchemicals.com cc: nac.blacksmith@gmail.com one day before the Annual General Meeting i.e. on October 27, 2024, during working hours. The signature on the ballot paper shall match with the signature on CNIC. Ballot paper for voting through post is attached herewith.

STATEMENT OF MATERIAL FACT UNDER SECTION 134(2) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on 28th October, 2024.

- I. To enhance the remuneration of the Chief Executive and Working Director.
 - i. Chief Executive to Rs. 400,000/- P.M.
 - ii. Working Directors to Rs. 400,000/- P.M.
- “RESOLVED THAT** the remuneration payable to the Chief Executive of the Company be and is hereby increased to Rs. 400,000/- (Four hundred thousand only). The remuneration of Working Director to Rs. 400,000/- (Four hundred thousand only).

None of the Directors are interested except to the extent stated above in the special business.

MISSION STATEMENT OF
SARDAR CHEMICAL INDUSTRIES LIMITED

Our Mission is to be a quality producer of leather and textile dyes continuously striving for excellence and international standard.

VISION

Dynamic, quality conscious and ever progressive.

CORPORATE STRATEGY

To produce and market high quality products, ensure right usage of company's resources, create employment opportunities, protect the interest of the stockholders and be a part of country's development.

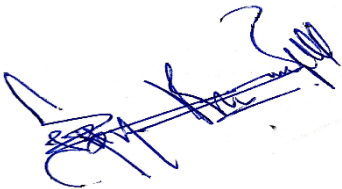
STATEMENT OF ETHICS AND BUSINESS PRACTICES

- * SCIL resolves to always place the company's interest first;
- * SCIL resolves to excel through resource management namely, human (Professional & technical both), financial and other infrastructural facilities and to ensure reasonable return of all the stockholders;
- * SCIL conducts business as a responsible and law-abiding corporate member of society to achieve its legitimate commercial objectives and supports unconditionally the Compliance with the Best Practices of Corporate Governance for the betterment of the corporate culture;
- * SCIL expects from its employee's full integrity, total honesty, fair and impartial practices in all aspects of its business;
- * SCIL resolves to adopt fair and ethical marketing practices and to prepare itself to face the challenges of open markets under WTO by supplying its customers quality dyes at competitive prices;
- * SCIL resolves not to compromise on principles;

CHAIRMAN'S REVIEW REPORT

Annual evaluation of Board of Directors of SARDAR CHEMICAL INDUSTRIES LIMITED is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured against expectations in the context of objectives set out for the Company.

For the financial year ended June 30, 2024 the Board has played a pivotal role in achieving the Company's objectives and safeguarding interests of the shareholders. The Directors have rich and varied experience in the field of business, finance and regulations. The Board provides strategic direction to the management and is available for guidance. The Board meets frequently enough to adequately discharge its responsibilities. The Board approves competent and energetic team to achieve the goals set out for future. The Board ensures compliance of all requirements by the management. The Board committees provide valuable input and assistance to the Board. The audit committee particularly focused on detail review of financial statements and effectiveness of internal control. The HR committee overviews HR policy framework and recommends selection and compensation of senior management team.



Mrs. Tayybah Mahmood Sadiq
Chairperson of the Board

Date: October 04, 2024
Gadoon, Amazai

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of **SARDAR CHEMICAL INDUSTRIES LIMITED** are pleased to present their annual report along with audited financial statements of the Company for the year ended on June 30, 2024.

RESULTS FOR THE YEAR ARE SUMMARIZED AS UNDER:

	<u>2024</u>	<u>2023</u>
	(Rupees in thousands)	
Sales-Net	503,870	366,291
Gross Profit	175,514	108,020
Profit/(Loss) before taxation	76,977	30,877
Profit/(Loss) after taxation	52,329	24,329
Earning per share (Rs.)	8.72	4.05

Our Dyes are for the Textile, dying, printing and leather products. In addition to the dyes, we are also producing optical brighteners for the textile industries in powder and liquid form.

There is an increase in net sales of 37.56% as compared to last year. The exchange rate is stable which has played a vital role in the industrial sector and as a result we were able to increase our sales in kgs as well as Rupees. The directors and management of the Company are of the opinion that business activity will boom in the near future.

During the year we have planned and acquired solar system for our factory on lease via term finance for renewable energy from State Bank of Pakistan at minimal markup rate. We have shifted towards cleaner and environment friendly solar energy. However, the installation of solar system is in progress during the year.

We have also acquired Spectrophotometer for more accuracy in our products. A spectrophotometer is an instrument that measures the amount of photons (the intensity of light) absorbed after it passes through sample solution.

FUTURE PROSPECTS

We are hopeful to maintain our profitability as before although we are facing tough competition from importers by under invoicing and misdeclaration of imported finished products.

DIVIDEND

The Board of Directors of the Company has decided to declare dividend of 20% i.e. Rs. 2 per share except for Directors/Sponsors and we will distribute dividend to our public shareholders. The business shall be subject to approval of members at the Annual General Meeting.

BOARD OF DIRECTORS

The Board of directors of the Company comprises of seven directors including one nominee director of NIT. During the year under review four Board meetings were held, to discuss, adopt and approve the accounts and other related matters of the Company.

The Board comprises of three Executive Directors and two non-executives and two independent directors.

AUDIT COMMITTEE

The Audit committee of the Company was comprised of the following Directors:

- | | |
|-------------------------------|----------|
| 1. Mr. Aitzaz Ahmad Tarar | Chairman |
| 2. Mrs. Tayybah Mahmood Sadiq | Member |
| 3. Mr. Fayyaz Ahmed Khan | Member |

During the year under review four Board meetings were held, to discuss adopt and approve the accounts, appointment of Auditors of the Company and other matters.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Company has constituted a human resources and remuneration (HR & R) committee in accordance with the code of corporate governance. This committee help the Board of directors in discharging their responsibilities as envisaged by the Code of Corporate Governance which include:

1. Recommending human resources management policies to the Board.
2. Recommending to the Board for the selection, evaluation, compensation (including retirement benefits) and succession planning.
3. Recommending to the Board of directors the selection, evaluation, compensation (including retirement benefits) of C.F.O., Company Secretary and Head of Internal Audit.
4. Consideration and approval on recommendations of Board of directors on matters relating to the management positions.

Human resources and remuneration committee (HR & R) include the following Directors: -

- | | |
|-------------------------------|----------|
| a. Mr. Aitzaz Ahmad Tarar | Chairman |
| b. Mrs. Tayybah Mahmood Sadiq | Member |
| c. Mr. Fayyaz Ahmed Khan | Member |

The General Manager of the Company is a non-Director member of the HR & R Committee. The Committee held one meeting during the period under review.

CORPORATE SOCIAL RESPONSIBILITY

We have installed heavy filters for our outgoing waste water along with made and installed waste water filtration plant also for purifying our outgoing water.

The plot of our factory consists of Four Acres and we have devoted one acre of land within the boundary walls measuring 108X435 feet having facilities of Badminton Court and cricket playing pitch for workers and staff of the factory. A portion of our factory land is also devoted for agriculture activity and growing vegetables.

The Company has acquired solar system for factory on lease via term finance for renewable energy from State Bank of Pakistan at minimal markup rate. We have reduced our dependency on electrical energy. We have shifted towards environment friendly, cleaner and renewable energy source. However, the installation of solar system is in progress during the year.

DIRECTORS' TRAINING PROGRAMMES

The existing Board of Directors fully complied with the exemption from training program criteria except Mrs. Tayybah Mahmood Sadiq who have sufficient related qualification, knowledge and experience.

TRANSFER PRICING

The Company will fully comply with the best practice on transfer pricing as contained in the Listing Regulation of Pakistan Stock Exchange as and when it will be declared by the SECP.

POST BALANCE SHEET EVENTS

There has been no event subsequent to the balance sheet date that would require as appropriate disclosure or adjustment to the financial statements referred herein.

KEY OPERATING AND FINANCIAL DATA

Key operating and financial data of the last six years is annexed with this annual report.

VALUE OF INVESTMENTS OF PROVIDENT FUND

The balance of investment in provident fund account was Rs. 22,960,693/- as on 30th June, 2024.

AUDITORS

Upon recommendations of the audit committee for the re-appointment of M/S Aslam Malik & Co., Chartered Accountants as auditors of the Company have been finalized for the year ending June 30, 2025. As their name exists in the QC list and in Audit Oversight.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as on 30-06-2024 is annexed. The directors, Company Secretary and their spouse and minor children have made no transactions in the Company's shares during the year.

PRODUCTION

We have to keep a range of approximately 56 products in our inventory as customers demand a complete range of products and if one or two products are not available with us, they may go and find traders and companies selling imported goods to get their required products.

Demand of products cannot be predicted fully as colors and shades keep on changing so ample Raw Material and Finished Products have to be made available at all times.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

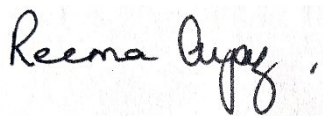
- The Financial statements, prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt upon the Company's ability to continue as going concern.
- There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations.

The management of the Company is committed towards good corporate governance, and taking all appropriate measures to comply with the best practices and also continuously reviewing the system of internal control in the light of Companies Act, 2017.

ACKNOWLEDGEMENT

The Board expresses their deep appreciation devotion and dedication of Company's valuable customers and distributors for their continued support. We also appreciate our Employees for their dedication and immense contribution to the Company.

On behalf of the Board



MRS. REEMA AYAZ
Chief Executive



FAYYAZ AHMED KHAN
Director

Dated: October 4th, 2024
Place: Gadoon Amazai

KEY OPERATING & FINANCE DATA FOR LAST SIX YEARS

PARTICULARS	2024	2023	2022	2021	2020	2019
Net Sales	503,869,911	366,290,799	412,689,780	340,494,701	257,958,424	268,425,730
Gross Profit	175,514,360	108,019,631	104,106,325	112,250,430	77,315,109	63,611,939
Operating Profit/(Loss)	90,319,414	42,921,629	47,625,793	60,381,963	32,131,938	26,386,074
Profit/(Loss) before tax	76,977,090	30,876,754	40,354,580	53,986,242	26,206,294	23,418,804
Profit/(Loss) after tax	52,329,429	24,328,852	29,049,712	38,870,076	21,019,099	18,653,457
Paid - up Capital	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Net Worth	304,162,165	251,832,737	227,503,886	201,454,174	141,529,606	141,529,606
FINANCIAL POSITION						
Fixed assets net	86,191,447	29,880,529	35,245,588	39,441,695	27,850,172	27,412,168
Total assets	429,072,774	330,474,676	317,751,705	242,051,225	205,333,913	175,909,550
Long term liabilities	44,306,677	9,663,583	14,413,905	17,955,114	6,109,157	5,849,722
RATIOS						
Gross Profit	34.83%	29.49%	25.23%	32.97%	29.97%	23.70%
Profit/(Loss) before tax	15.28%	8.43%	9.78%	15.86%	10.16%	8.72%
Profit/(Loss) after tax	10.39%	6.64%	7.04%	11.42%	8.15%	6.95%
RETURN TO SHAREHOLDER						
ROCE before Tax	25.36%	15.90%	22.51%	26.11%	6.20%	16.54%
ROCE after Tax	18.28%	13.40%	14.55%	19.22%	12.93%	13.18%
Earnings per share	8.72	4.05	4.84	6.48	3.50	3.11
LIQUIDITY/LEVERAGE						
Current Ratio	4.20	4.26	3.63	8.64	4.77	5.13
Break-up Value Per Share	50.69	41.97	37.92	33.58	22.10	18.59
Total Liabilities to Equity (times)	1.41	1.31	1.40	0.83	0.55	0.24
ACTIVITY						
Sales to total assets	1.17	1.11	1.30	1.41	1.26	1.53
Sales to fixed assets	5.85	12.26	11.71	8.63	9.26	9.79



Sardar Chemical Industries Limited

MANUFACTURERS OF DYES & CHEMICALS

Head Office: 2-A, 2nd Floor, Canal Bank Road, Justice Sardar Iqbal Road, Aziz Avenue, Gulberg-V, Lahore.

Tel: (92-42) 35711154, 35710148, 35753402 Fax: (92-42) 35775706

Email: info@sardarchemicals.com Website: www.sardarchemicals.com



Statement of Compliance

with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: **Sardar Chemical Industries Limited**

Year ending: **June 30, 2024**

Sardar Chemical Industries Limited (the **Company**) has complied with the requirement of the Regulations in the following manner:

1. The total number of Directors are 7 as per the following:

2.

Gender	Number
Male	5
Female	2

3. The composition of the Board is as follows:

Category	Names
Independent Director	1. Mr. Abdul Rehman Qureshi 2. Mr. Aitzaz Ahmad Tarar
Non-Executive Director	1. Mr. Fayyaz Ahmed Khan
Executive Director	1. Mrs. Reema Ayaz 2. Mr. Niaz Ahmed Chughtai
Female Director	1. Mrs. Tayybah Mahmood Sadiq
NIT Nominee	1. Mr. Shahid Aziz

Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, the fraction (2.3) has not been rounded up.

4. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant

policies along with the dates on which they were approved, updated or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations).
8. The meetings of the Board were presided over by the Chairman and, in her absence, by a director elected by the Board for this purpose. The Board complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of Board.
9. The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
10. The Directors were appraised of their duties and responsibilities from time to time. All of the Directors will duly comply with the requirement of Code of Corporate Governance with respect of in-house Directors' Training Program and the Company is planning to arrange this program for the Directors.
11. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of appointment and complied with relevant requirements of the Regulations.
12. CFO and CEO duly endorsed the financial statements before approval of the Board.
13. The Board has formed committees comprising members given below:

Committees	Composition/ Names
Audit Committee	<p>Chairman: Mr. Aitzaz Ahmad Tarar (Independent Director)</p> <p>Members: Mrs. Tayybah Mahmood Sadiq Mr. Fayyaz Ahmed Khan</p>
HR & Remuneration Committee	<p>Chairman: Mr. Aitzaz Ahmad Tarar</p> <p>Members: Mrs. Tayybah Mahmood Sadiq Mr. Fayyaz Ahmed Khan</p>

14. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

15. The frequency of meetings of the committee were as per following:

Committees	Frequency
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2024
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2024

16. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

17. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

19. We confirm that all requirements of regulation 3, 6, 7, 8, 27, 32, and 36 of the Regulations have been complied with.

For SARDAR CHEMICAL INDUSTRIES LIMITED



Director

Dated: October 4th, 2024
Place: Gadoon Amazai



Aslam Malik & Co. Chartered Accountants



www.aslammalik.com
info@aslammalik.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sardar Chemical Industries Limited

Review report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the regulations) prepared by the Board of Directors of **Sardar Chemical Industries Limited** for the year ended 30 June 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensued compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

The engagement Partner on the review resulting in this independent auditors' review report is **Muhammad Kamran Aslam**.


Chartered Accountants



Place: Lahore

Date: October 04, 2024

UDIN: CR202410827fFZerVqmB

Lahore Head Office

Suite # 18-19 FF Floor, Central Plaza
Civic Centre, New Garden Town,
Lahore ✉ aslammalik@brain.net.pk
042-35858693-4, 042-35856819

Islamabad

House # 726, Street # 34,
Margalla Town, Off Murree
Road, Islamabad. ✉ info@aslammalik.com
051-2374282, 051-2374283

Karachi

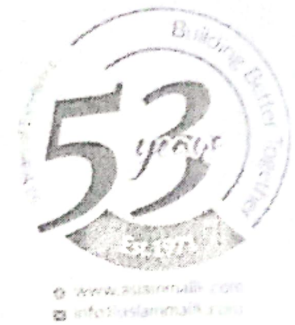
1001-1003 10th Floor, Chapal
Plaza, Hasrat Mohani Road, Off
I.I Chundrigar Road, Karachi
021-32425911, 021-32425912

Quetta

1st Floor, Haji Fateh
Khan Center, Adalat
Road, Quetta
081-2823837



Aslam Malik & Co. Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

To the members of **SARDAR CHEMICAL INDUSTRIES LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **SARDAR CHEMICAL INDUSTRIES LIMITED** (the Company), which comprise the statement of financial position as at **June 30, 2024**, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity, statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in Our Audit
1.	Stock in Trade: Refer notes 3.3 and 17 to the financial statements, the Company has stock-in-trade aggregating Rs.120.5 million comprising raw materials, finished goods and work in progress. We identified this area as a key audit matter because stock-in-trade constitutes 28% of the total assets of the Company as at June 30, 2024 and determining an appropriate write down as a result of net realizable value (NRV) involves management judgement and estimation.	Our audit procedures in respect of this area included: ➤ Gained an understanding of the management's process of recording and valuing inventories; ➤ Observation of physical inventory count procedures and compared on a sample basis, physical count with valuations sheets; ➤ Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents; ➤ Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and ➤ We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.

Information Other Than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as

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management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is **Muhammad Kamran Aslam**.


Chartered Accountants

Place: Lahore

Date: October 04, 2024



UDIN: AR202410827TB39htDpA

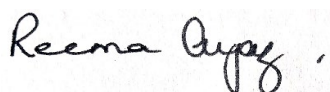
SARDAR CHEMICAL INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION

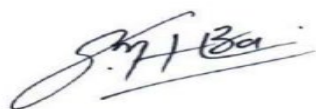
AS AT JUNE 30, 2024

	NOTE	2024 RUPEES	2023 RUPEES
EQUITY AND LIABILITIES			
Share capital and reserves			
<u>Authorised Capital:</u>			
10,000,000 (2023: 10,000,000) ordinary shares of Rs. 10/- each		100,000,000	100,000,000
<u>Issued, subscribed and Paid up:</u>			
Share capital - 6,000,000 (2023: 6,000,000) ordinary shares of Rs. 10/- each	4	60,000,000	60,000,000
Share premium - capital reserve		30,000,000	30,000,000
Accumulated profits - revenue reserve		214,162,165	161,832,737
		304,162,165	251,832,737
Non-current liabilities			
Lease liabilities	5	6,412,339	9,663,583
Long term loan	6	34,785,588	-
Deferred tax liabilities	13	3,108,750	-
		44,306,677	9,663,583
Current liabilities			
Current portion of long-term liabilities	7	6,412,986	4,176,328
Trade and other payables	8	36,801,188	16,497,429
Loan from directors	9	35,184,524	46,000,000
Unclaimed dividend	10	2,205,234	2,304,599
		80,603,932	68,978,356
Contingencies and commitments	11	-	-
		429,072,774	330,474,676
ASSETS			
Non-current assets			
Property, plant and equipment	12	86,191,447	29,880,529
Deferred tax asset	13	-	1,517,657
Long term deposits	14	4,573,230	5,289,430
		90,764,677	36,687,616
Current assets			
Advances, deposits, prepayments and other receivables	15	1,834,816	8,693,852
Stores, spares and loose tools	16	820,773	761,648
Stock-in-trade	17	120,561,011	103,345,105
Trade debts	18	186,166,984	146,530,846
Taxation- net	19	15,831,349	15,715,783
Cash and bank balances	20	13,093,163	18,739,826
		338,308,097	293,787,060
		429,072,774	330,474,676

The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

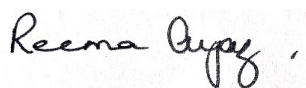
SARDAR CHEMICAL INDUSTRIES LIMITED

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	2024 RUPEES	Restated 2023 RUPEES
Sales - net	21	503,869,911	366,290,799
Cost of sales	22	(328,355,551)	(258,271,168)
Gross profit		175,514,360	108,019,631
Administrative expenses	23	(64,975,880)	(48,961,852)
Selling & distribution Costs	24	(20,219,066)	(16,136,150)
		(85,194,946)	(65,098,002)
Operating profit		90,319,414	42,921,629
Other expenses	25	(5,708,827)	(2,288,395)
Other Income	26	3,754,303	949,223
Financial charges	27	(11,387,801)	(10,705,702)
		(13,342,325)	(12,044,874)
Profit before income taxes and final taxes		76,977,090	30,876,754
Taxation - Final taxes	28	-	(30,502)
Profit before income tax		76,977,090	30,846,252
Taxation - Income tax	28	(24,647,661)	(6,517,401)
Profit after income tax		52,329,429	24,328,852
Earnings per share - basic and diluted	29	8.72	4.05


The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer

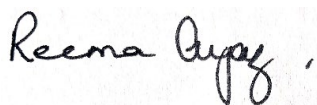


Director

SARDAR CHEMICAL INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
AS AT JUNE 30, 2024

	<u>2024</u> <u>RUPEES</u>	<u>2023</u> <u>RUPEES</u>
Profit after taxation	52,329,429	24,328,852
Other comprehensive income		
<i>Items that will be reclassified subsequently to profit or loss</i>	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
Total comprehensive income for the year	<u><u>52,329,429</u></u>	<u><u>24,328,852</u></u>

The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer

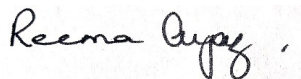


Director

SARDAR CHEMICAL INDUSTRIES LIMITEDSTATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share capital	Capital reserve	Revenue reserve	Total
		Share premium	Accumulated profits	
Balance as on June 30, 2022	60,000,000	30,000,000	137,503,886	227,503,886
Total comprehensive income for the year ended June 30, 2023				
Profit after taxation	-	-	24,328,852	24,328,852
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	24,328,852	24,328,852
Final dividend for the year ended	-	-	-	-
Balance as on June 30, 2023	60,000,000	30,000,000	161,832,737	251,832,737
Total comprehensive income for the year ended June 30, 2024				
Profit after taxation	-	-	52,329,429	52,329,429
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	52,329,429	52,329,429
Final dividend for the year ended	-	-	-	-
Balance as on June 30, 2024	60,000,000	30,000,000	214,162,165	304,162,165

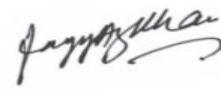
The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

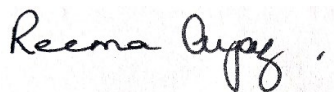
SARDAR CHEMICAL INDUSTRIES LIMITED

STATEMENT OF CASH FLOW


AS AT JUNE 30, 2024

	NOTE	2024 RUPEES	2023 RUPEES
Cash flow from/used in operations	40	64,343,471	26,075,095
Finance charges paid	26	(10,425,591)	(10,705,702)
Workers Profit Participation Fund paid	7.2	(1,658,257)	(2,169,564)
Income tax paid	18	(20,136,820)	(11,225,676)
Net cash used in operating activities		32,122,803	1,974,152
Cash flow from investing activities			
Property, plant and equipment purchased		(61,341,827)	-
Long term deposits	13	716,200	574,000
Net cash used in investing activities		(60,625,627)	574,000
Cash flow from financing activities			
Loan from directors	9	(10,815,476)	-
Repayment of lease liabilities	5	(3,913,384)	(5,056,103)
Long term loan		37,684,386	-
Dividend paid	9	(99,366)	(5,620)
Net cash generated from financing activities		22,856,160	(5,061,724)
Net decrease in Cash and Cash Equivalents		(5,646,664)	(2,513,571)
Cash and cash equivalents at the beginning of the year		18,739,826	21,253,397
Cash and Cash Equivalents at the End of the Year		13,093,163	18,739,826

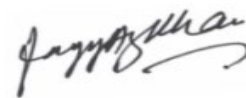
The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

SARDAR CHEMICAL INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 The Company and its operation

Sardar Chemical Industries Limited (the Company) was incorporated in Pakistan on October 3, 1989 as a Private Limited Company under the Companies Ordinance, repealed Company Ordinance, 1984. It was converted into the Public Limited Company on December 30, 1993. The registered office of the Company is located at Plot No. 29-B, Road No. 01 Gadoon Amazai, Industrial Estate, Topi, Ganduf Road, Swabi (KPK). The principal business of the Company is to manufacture and sale of dyestuffs, chemicals for the leather, textile and paper industries. The Company is listed on all the Stock Exchanges in Pakistan. Manufacturing facilities of Chemical are located at Plot No. 29-B, Road No. 01 Gadoon Amazai, Industrial Estate, Topi, Ganduf Road, Swabi (KPK).

2 Basis Of Preparation

2.1 Statement Of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Initial application of a standard, amendment or an interpretation to an existing standard

2.2.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2024

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance – "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires taxes paid under final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) – 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no impact of this on current year financial statements. The impact on prior year financial statements is illustrated below.

Effect on statement of profit or loss	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	-----Rupees-----		
For the year ended June 30, 2023			
Taxation - Final taxes	-	30,502	30,502
Profit before income tax	30,815,750	(30,502)	30,846,252
Taxation - Income tax	6,547,903	(30,502)	6,517,401
Profit after income tax	24,328,852	-	24,328,852

There has been no effect on the Statement of Financial Position, Earnings per share and Statement of Changes in Equity as a result of this change.

2.2.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are certain new standards and certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

2.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements is in conformity with the approved accounting standards and requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at balance sheet date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful debts

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 Summary of material accounting policies.

3.1 Accounting Convention:

These financial statements have been prepared under the historical cost convention except for recognition of certain financial instruments that have been accounted for on the basis of their fair values as referred to in note # 3.17.

3.2 Tangible Fixed Assets and Depreciation:

(a) Owned Assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss except for leasehold land, which is stated at its full capitalized value held equivalent to the total cost of acquiring the land.

Borrowing costs during the erection period are capitalized as part of historical cost of the related assets.

Depreciation is charged on operating fixed assets applying reducing balance method to write off the cost over remaining useful life of assets. Rates of depreciation are stated in Note No. 11.

Depreciation is charged from the month in which an asset is acquired or capitalized while no depreciation is charged from the month in which an asset is disposed off.

Gains / (Losses) on disposal of operating assets are included in income currently. Normal maintenance and repairs are charged to income as and when incurred. Major renewals and replacements are capitalized.

3.3 Stock in Trade:

Basis of valuation are as follows:

Particulars	Mode of Valuation
Raw Materials	At lower of annual average cost and net realizable value
Work in Process	At lower of annual average cost or net realizable value plus manufacturing overheads with reference to degree of completion.
Finished Goods	At lower of annual average cost or net realizable value of material plus manufacturing overhead or net realizable value.

Cost in relation to work in process and finished goods represents the annual average manufacturing cost which consists of prime cost and appropriate manufacturing overheads.

Net realizable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sale.

3.4 Stores & Spares

These are valued at lower of weighted average cost and net realizable value, except for items in transit, which are valued at cost comprising invoice value and related expenses.

3.5 Trade Debts and other receivables

Trade Debts and other receivables are carried at invoices value, which approximates fair value less provision for impairment. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Debts, considered irrecoverable, are written off, as and

3.6 Cash & Cash Equivalents

Cash & cash equivalents are carried in the Balance Sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.7 Short Term Borrowings

Short term borrowings are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount remaining unpaid.

3.8 Creditors and Other Liabilities

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for the goods and / or services received, whether or not billed to the Company.

3.9 Contract liabilities

Under IFRS 15 "Revenue from Contracts with Customers", obligation to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer is presented as contract liability.

3.10 Staff Retirement Benefits

The Company operates an approved funded contributory provident fund scheme for all permanent employees. Equal monthly contributions are made both by

the Company and employees @ 10% of the basic pay.

3.11 Provisions

Provision are recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.12 Taxation

- Current

Provision for current taxation is based on the taxable income at the current rate of taxation after taking into account applicable tax credit available, rebates and exemption available, if any, or minimum tax on turnover whichever is higher and tax paid on final tax receipt.

- Deferred

Deferred tax is provided in full using the balance sheet method on all temporary differences arising at the balance sheet date, between the tax bases of the assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits, if any, to the extent that it is probable that future taxable profits will be available against which the temporary differences, tax losses and unused tax credits can be utilized., as required by IAS 12 Income Taxes.

The tax rates enacted at the balance sheet date are used to determine deferred income tax.

The carrying amount of all deferred tax assets are reviewed at each balance sheet date and adjusted to the appropriate extent, if it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

3.13 Related Party Transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

3.14 Revenue Recognition:

The Company recognizes revenue when it transfers control over goods to its customers, being when the products are delivered to the customer and there is no unfulfilled obligation that could effect the customer's acceptance of the product. Revenue is recognized at an amount that reflects the consideration, to which the Company expects to be entitled in exchange for transferring of goods to its customers net of discount and sales related indirect taxes. The sales related indirect taxes are regarded as collected on behalf of statutory authorities. The Company generates revenue by supplying products to the customers, including export product.

i) Revenue from sales is recognised on delivery of products to the customers with the exception that export sales are recognised on the basis of products shipped to customers.

ii) Dividend income is recognised when the right to receive dividend is established.

iii) Income on bank deposits and short term investments are recognised using the effective yield method.

3.15 Foreign Currency Translations.

Translations in foreign Currencies are accounted for in Pak Rupees at the exchange rate prevailing at the date of translations. Assets & Liabilities denominated in Foreign Currencies are translated into Pak Rupees at the exchange rates prevailing on the Balance Sheet except for those covered by forward contracts if any.

Net gain and loss arising on retranslation is included in profit and loss account.

3.16 Borrowing Cost

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are recorded to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

3.17 Financial Instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

3.17.1 Financial Assets

The Company classifies its financial assets in the following measurement categories:

- a) Amortized cost where the effective interest rate method will apply;
- b) fair value through profit or loss;
- c) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income/charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/charges and impairment expenses are presented as separate line item in the statement of profit or loss.

c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

- i The rights to receive cash flows from the asset have expired
- ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments, trade debts, short term investment and deposits and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Short term investments
- Cash and bank balances

Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; conditions.

Trade debts are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Recognition of loss allowance

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 150 days past due in making a contractual payment.

Write-off

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

3.17.2 Financial Liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and

- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Amortised cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

3.17.3 Off-setting of financial assets and financial liabilities.

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the company has legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Chief Financial Officer determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained

3.19 Finance Cost

Finance Cost are recognised using the effective interest rate method and comprise foreign currency losses and interest expenses on bank borrowings.

3.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.21 IFRS 16 - Leases

a) Right of Use Assets

The right-of-use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment.

In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

b) Lease Liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

c) Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

SARDAR CHEMICAL INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
		RUPEES	RUPEES
4. Share capital - ordinary shares of Rs. 10/- each			
4.1	Authorised share capital		
	2024 2023		
	(Number of shares)	2024	2023
		Numbers	Numbers
	Ordinary shares		
	Ordinary shares of Rs. 10 each		
	paid in cash	100,000,000	100,000,000
		<u>100,000,000</u>	<u>100,000,000</u>
4.2	Issued, subscribed and paid up capital		
	2024 2023		
	(Number of shares)	2024	2023
		Numbers	Numbers
	Ordinary shares		
	Ordinary shares of PKR 10 each as		
	fully paid in cash	60,000,000	60,000,000
		<u>60,000,000</u>	<u>60,000,000</u>
		<u>6,000,000</u>	<u>6,000,000</u>
5. Lease liabilities			
	Future Minimum Lease Payments	10,422,615	14,949,595
	Add: Impact of Remeasurement of lease liability	979,144	
	Less: Financial charges pertaining to future period	<u>(1,475,232)</u>	<u>(1,109,684)</u>
	Present value of minimum lease payments	9,926,527	13,839,911
	Less: Current maturity of long term obligation	<u>(3,514,188)</u>	<u>(4,176,328)</u>
		<u>6,412,339</u>	<u>9,663,583</u>
5.1	This represents finance lease arrangements entered into with banks/Orix to acquire vehicles . Financing rates ranging from 21.85% to 26.29 % (2023: 20.23% to 27.72%) per annum, approximately, have been used as discounting factor. Taxes, repairs, replacement and insurance costs are borne by the Company. Minimum Lease Payments (MLP) and their Present Value (PV) are as follow:		
		June 30, 2024	
		Not later than	Later than one
		one year	year and not later
			than
			five years
	Future minimum lease payments	4,725,440	6,676,319
	Less: Un-amortized finance charge	<u>(1,211,252)</u>	<u>(263,980)</u>
	Present value of minimum lease payments	<u>3,514,188</u>	<u>6,412,339</u>
		June 30, 2023	
		Not later than	Later than one
		one year	year and not later
			than
			five years
	Future minimum lease payments	4,934,480	10,015,115
	Less: Un-amortized finance charge	<u>(758,152)</u>	<u>(351,532)</u>
	Present value of minimum lease payments	<u>4,176,328</u>	<u>9,663,583</u>
6 Long term loan			
	Opening Balance	-	-
	Add:- Addition during the Year	37,684,386	-
	Less:- Payments during the Year	-	-
		37,684,386	-
	Less:- Current Portion shown under current Maturity	<u>2,898,798</u>	-
		<u>34,785,588</u>	-

This facility obtain from Askari Bank Limited under the State Bank of Pakistan and **subject to markup (4%+2%) per annum**. It is repayable in

39 quarterly installments overall in 10 years. This is secured against renewable energy (REEF) category and obtained to acquire solar panels. Same solar panels has been pledged against this loan.

7. Current portion of long-term liabilities

Current maturity of lease liabilities	3,514,188	4,176,328
Current maturity of loan liabilities	2,898,798	-
	<u>6,412,986</u>	<u>4,176,328</u>

7.1 These amounts represent the portion of long term liabilities which are repayable within one year.

8. Trade and other payables

Sales tax Payable	5,116,311	-
Accrued expenses	12,452,160	6,587,482
Accrued markup on long term loan	962,210	-
Workers Welfare Fund	8.1 6,651,791	5,080,759
Trade creditors	6,377,323	2,640,271
Workers Profit Participation Fund	8.2 4,134,296	1,658,257
Provident Fund payable	30 757,967	410,521
Contract liabilities	21,582	30,924
Withholding tax	327,548	89,215
	<u>36,801,188</u>	<u>16,497,429</u>

8.1 Workers Welfare Fund

Balance as at July 01	5,080,759	4,450,621
Paid during the year	-	-
Contribution for the year	1,571,032	630,138
Balance as at June 30	<u>6,651,791</u>	<u>5,080,759</u>

8.2 Workers Profit Participation Fund

Balance as at July 01	1,658,257	2,169,564
Paid during the year	(1,658,257)	(2,169,564)
Contribution for the year	4,134,296	1,658,257
Balance as at June 30	<u>4,134,296</u>	<u>1,658,257</u>

9. Loan from directors

Sardar Mahmood Sadiq	12,184,524	23,000,000
Sardar Ayaz Sadiq	19,000,000	19,000,000
Mrs.Reema Ayaz	4,000,000	4,000,000
	<u>35,184,524</u>	<u>46,000,000</u>

9.1 These loans were obtained to cope with the adverse economic conditions faced during COVID pandemic. These are payable on demand and markup will be Prevailing KIBOR of the market + 1%. Markup is payable quarterly basis.

10. Unclaimed dividend

Balance as at July 01	2,304,599	2,310,219
Final dividend declared	-	-
Paid during the year	(99,365)	(5,620)
Balance as at June 30	<u>2,205,234</u>	<u>2,304,599</u>

11. Contingencies and commitments

11.1 Contingencies

The company has pending cases against the following customers in lieu of sale recoveries.

Name of Party	Claimed Amount
Malik Arij Dyes, Sialkot	Rs. 2,596,293

The case has been decided in the favour of Sardar Chemical Industries Limited on November 14, 2022 but Malik Arij Dyes & Chemical (Pvt.) Ltd., has filed appeal before the Honourable Lahore High Court.

The management is confident, based on the legal advice that the matters will be decided in the favor of the Company and the Company will not be exposed to any loss on account of these claims and consequently no provision has been made by the Company in respect of these claims.

11.2 Commitments

The Company has no commitments as at year end.

12. Property, plant and equipment

Fixed asset schedule is attached.	<u>86,191,447</u>	<u>29,880,529</u>
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12 Property, plant and equipment

	Assets including Right-of-Use assets											
	Land	Factory Building on Leasehold Land	Plant & machinery	Electric installation	Furniture & fixture	Tools & equipment	Vehicles	Electric & gas appliances	Laboratory equipment	Solar System	Right Of use assets (Vehicles)	Total
Cost												
Balance as at June 30, 2023	1,222,152	27,208,559	74,967,204	1,388,455	1,614,125	3,171,849	16,177,390	268,350	2,368,869		25,389,100	153,776,053
Impact or Remeasurement of lease											979,144	979,144
Additions/ Transfers during the year	-	-	14,236,345	-	-	-	5,104,000	-	-	47,105,482	-	66,445,827
Disposals	-	-	-	-	-	-	-	-	-	-	(5,104,000)	(5,104,000)
Terminations	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2024	1,222,152	27,208,559	89,203,549	1,388,455	1,614,125	3,171,849	21,281,390	268,350	2,368,869	47,105,482	21,264,244	216,097,024
Balance as at June 30, 2022	1,222,152	27,208,559	74,967,204	1,388,455	1,614,125	3,171,849	13,307,390	268,350	2,368,869	-	28,259,100	153,776,053
Additions/ Transfers during the year	-	-	-	-	-	-	2,870,000	-	-	-	-	2,870,000
Disposals	-	-	-	-	-	-	-	-	-	-	(2,870,000)	(2,870,000)
Terminations	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2023	1,222,152	27,208,559	74,967,204	1,388,455	1,614,125	3,171,849	16,177,390	268,350	2,368,869	-	25,389,100	153,776,053
Depreciation and impairment losses												
Balance as at June 30, 2023	-	26,004,335	63,984,320	1,315,902	1,355,814	2,744,452	14,061,726	253,499	2,362,920	-	11,812,557	123,895,525
Depreciation for the year	-	120,422	1,691,469	7,255	25,831	42,740	806,647	1,485	1,487	785,091	2,527,623	6,010,052
Net impairment charged during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfers during the year	-	-	-	-	-	-	3,186,430	-	-	-	-	3,186,430
Disposals	-	-	-	-	-	-	-	-	-	-	(3,186,430)	(3,186,430)
Terminations	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2024	-	26,124,757	65,675,790	1,323,158	1,381,645	2,787,191	18,054,803	254,984	2,364,407	785,091	11,153,750	129,905,577
Balance as at June 30, 2022	-	25,870,532	62,764,000	1,307,841	1,327,113	2,696,963	11,571,903	251,849	2,360,937	-	10,379,328	118,530,465
Depreciation for the year	-	133,803	1,220,320	8,061	28,701	47,489	528,916	1,650	1,983	-	3,394,136	5,365,059
Net impairment charged during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfers during the year	-	-	-	-	-	-	1,960,907	-	-	-	-	1,960,907
Disposals	-	-	-	-	-	-	-	-	-	-	(1,960,907)	(1,960,907)
Terminations	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2023	-	26,004,335	63,984,320	1,315,902	1,355,814	2,744,452	14,061,726	253,499	2,362,920	-	11,812,557	123,895,524
Rate of depreciation in %	10%	10%	10%	10%	10%	10%	20%	10%	25%	10%	20%	
Net book value as at June 30, 2024	1,222,152	1,083,802	23,527,759	65,297	232,480	384,658	3,226,587	13,366	4,462	46,320,391	10,110,494	86,191,447
Net book value as at June 30, 2023	1,222,152	1,204,224	10,982,884	72,553	258,311	427,397	2,115,664	14,851	5,949	-	13,576,543	29,880,529
											2024	2023
											RUPEES	RUPEES
12.1 The charge of depreciation has been allocated as under:-												
Cost of sales											2,598,471	1,356,106
Administrative expenses											3,411,581	4,008,953
											6,010,052	5,365,059
12.2 No asset was sold to Chief Executive, Directors, Executives and Shareholders during the year.												
12.3 Particular of Immovable property (i-e land and buildings) in the name of Company are as follows:												
Location	Usage of Immoveable Property		Total Area	Covered Area								
Plot No. 29-B, Road No. 01 Gadoon Amazai,	Plant		4 Acrs	99,911.05 Sq.Fts								
Industrial Estate, Topi, Ganduf Road, Swabi (KPK)												

13. Deferred tax asset		
Deferred tax assets on deductible temporary differences		
Provisions	(2,365,015)	(2,345,344)
Lease liability recognized under IFRS 16	(2,878,693)	(75,741)
	(5,243,708)	(2,421,085)
Deferred tax liability on taxable temporary differences		
Accelerated depreciation including right-of-use asset	8,352,458	903,428
	3,108,750	(1,517,657)
13.1 Movement in deferred tax liability is as follows:		
Balance as at July 01	(1,517,657)	(1,171,795)
Charge for the year in profit or loss account	4,626,407	(345,862)
Charge for the year in other comprehensive income	-	-
Balance as at June 30	3,108,750	(1,517,657)
14. Long term deposits		
Security against Leased Assets	4,573,230	5,289,430
	4,573,230	5,289,430
15. Advances, deposits, prepayments and other receivables		
Sales Tax Receivable	-	6,971,010
Advances against expenses	791,190	738,107
Deposits others	694,230	694,230
Deposits against letters of credit/guarantees	220,500	220,500
Contract assets	108,896	60,005
Advances to employees	20,000	10,000
	1,834,816	8,693,852
16. Stores, spares and loose tools		
Stores	330,117	340,326
Spares	322,612	283,253
Loose tools	168,044	138,069
	820,773	761,648
17. Stock-in-trade		
Raw material	62,006,315	64,667,264
Work in process	2,231,187	16,403,656
Finished goods	56,323,509	22,274,185
	120,561,011	103,345,105
18. Trade debts		
Debtors	194,322,209	156,101,067
Less: Bad Debt Written-off	-	(1,414,996)
Less: Loss Allowance	18.1 (8,155,225)	(8,155,225)
	186,166,984	146,530,846
18.1 Loss Allowance		
Opening Balance	8,155,225	8,155,225
Provision Loss allowance for the year	-	-
	8,155,225	8,155,225
Less: Written off during the Year	-	-
	8,155,225	8,155,225
18.2 As at June 30, 2024 no amount was due from associates (2023: Nil).		
19. Taxation- net		
Advance Tax as at July 01	15,715,783	11,383,872
Advance paid during the year	20,136,820	11,225,676

Total Advance Tax		35,852,603	22,609,548
Provision for taxation	28.	(20,021,254)	(6,893,765)
Balance as at June 30		15,831,349	15,715,783
20. Cash and bank balances			
Cash in bank			
- Local currency		12,922,892	18,589,397
- Foreign currency		99,139	102,638
		13,022,031	18,692,035
Cash in hand		71,132	47,792
		13,093,163	18,739,826
21. Sales - net			
Sales - Local		598,696,326	428,011,884
Sales - Export		-	3,050,200
		598,696,326	431,062,084
Sales tax		(92,390,228)	(64,340,212)
Sales return		(2,436,187)	-
Expenses on exports		-	(431,073)
		(94,826,415)	(64,771,285)
		503,869,911	366,290,799
22. Cost of sales			
Raw material consumed	21.1	239,291,495	173,881,618
Salaries and wages		37,905,099	31,224,071
Fuel and power		47,010,362	29,254,387
Packing drums		8,953,178	6,530,461
Stores, spares and loose tools consumed	21.2	2,649,538	4,267,794
Carriage inward		2,633,200	2,336,805
Repair and maintenance		6,165,646	1,368,541
Depreciation of property, plant and equipment	12.1	2,598,471	1,356,106
Other production expenses		1,025,417	614,462
		348,232,406	250,834,245
Work in process			
Opening stock		16,403,656	25,019,556
Closing stock		(2,231,187)	(16,403,656)
		14,172,469	8,615,900
		362,404,875	259,450,145
Finished goods			
Opening stock		22,274,185	21,095,208
Closing stock		(56,323,509)	(22,274,185)
		(34,049,324)	(1,178,977)
		328,355,551	258,271,168
22.1 Raw material consumed			
Opening stock		64,667,264	47,880,013
Purchases during the period		288,740,251	237,283,949
Less: Sales Tax		(52,109,705)	(46,615,080)
		236,630,546	190,668,869
		301,297,810	238,548,882
Closing stock		(62,006,315)	(64,667,264)
		239,291,495	173,881,618
22.2 Stores, spares & loose tools consumed:			
Opening stock		761,648	687,048
Purchases during the period		2,708,663	4,342,394
		3,470,311	5,029,442
Closing stock		(820,773)	(761,648)
		2,649,538	4,267,794
23. Administrative expenses			
Salaries, wages & benefits		23,731,379	17,401,787
Directors remuneration		9,000,000	8,850,000
Depreciation of property, plant and equipment	12.1	3,411,581	4,008,953
Travelling & conveyance		5,345,775	3,758,103

Rent, rates & taxes		2,163,400	3,699,330
Repair & maintenance		2,381,313	2,903,711
Entertainment		2,656,567	2,088,582
Telephone, telex & postage		1,080,803	993,770
Bad debt written-off		-	1,414,996
Insurance		1,093,540	758,190
Electricity, gas & water		346,124	723,506
Printing & stationery		958,290	657,190
Subscription		966,609	535,916
Miscellaneous		1,570,211	449,961
Legal & professional charges	23.1	599,820	590,380
News papers & periodicals		109,400	75,427
Bad Debts		9,008,113	-
Advertisement		552,955	52,050
		64,975,880	48,961,852

23.1 Legal and professional charges include the following in respect of auditor's services for:

Statutory audit fee		250,000	250,000
Half year reviews		25,000	25,000
Other certificates		25,000	25,000
		300,000	300,000

24. Selling & distribution Costs

Staff salaries & benefits		11,238,845	8,771,847
Carriage and cartage		4,619,880	3,240,648
Travelling & conveyance		1,958,047	1,884,517
Rent, rates & taxes		1,256,910	1,323,236
Repair & maintenance		510,761	465,096
Electricity, gas & water		352,220	247,459
Telephone, telex & postage		192,505	203,347
Laboratory/testing expenses		89,898	-
		20,219,066	16,136,150

25. Other expenses

Workers Profit Participation Fund		4,134,296	1,658,257
Workers Welfare Fund		1,571,032	630,138
Exchange loss		3,499	-
		5,708,827	2,288,395

26. Other Income

Profit on bank account		3,593,263	631,169
Exchange Gain		-	244,244
Sale of scrap		161,040	73,810
		3,754,303	949,223

27. Financial charges

Mark-up on loans from directors		8,251,291	8,275,902
Markup on lease liabilities		1,719,987	2,185,382
Bank charges		454,313	244,418
Markup on long term loan		962,210	-
		11,387,801	10,705,702

2024	<i>Restated</i>
RUPEES	2023
	RUPEES

28 TAXATION - INCOME TAX AND FINAL TAXES

Final taxes	28.1	-	30,502
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Income tax			
Current year tax expense		21,188,007	8,249,192
Prior year reversal		(1,166,753)	(1,385,928)
Deferred tax	13.1	4,626,407	(345,862)
		24,647,661	6,517,401
		24,647,661	6,547,903

28.1

This represents final tax under section 154 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

28.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows:

Current tax liability for the year as per applicable tax laws	21,188,007	8,279,694
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(21,188,007)	(8,249,192)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	-	(30,502)
	<u>-</u>	<u>-</u>

28.3 Corporate tax rate applicable for the year is 29% (2023: 29%).

28.4 Management assessment of sufficiency of current tax provision

28.4.1 It is management's assessment that the provision for taxation made in the financial statements is sufficient.

28.4.2 Comparison of Tax Provision with Tax Assessment

	2023	2022	2021
		Rupees	
Tax Provision as per Accounts	8,279,694	12,351,301	17,339,737
Tax Assessment	7,112,941	10,965,373	16,330,755
Over Provision	1,166,753	1,385,928	1,008,982

28.5 Average effective tax rate charged to statement of profit or loss

Numerical reconciliation between the average effective tax rate and the applicable tax rate:

Applicable tax rate	29.00	29.00
Tax effect of amounts that are:		
Prior year tax expense	(1.52)	(4.49)
Effect of final tax regime	-	(2.86)
Other	4.52	(0.97)
	3.00	(8.32)
Average effective tax rate charged to statement of profit or loss	32.00	20.68

29. Earnings per share

29.1 Basic earnings per share

Profit after taxation available for distribution to ordinary shareholders	52,329,429	24,328,852
Weighted average number of ordinary shares	6,000,000	6,000,000
Basic earnings per share	8.72	4.05

29.2 Diluted earnings per share

There is no dilution effect on the basic earnings per share as the Company has not issued instruments that cause dilution.

30. Staff retirement benefits

30.1 Provident fund

	Audited	Audited
(i) Size of fund	22,960,693	14,453,890

(ii) Cost of investments		22,084,259	13,964,902
(iii) Percentage of investments made		96%	97%
(iv) Fair value of investments	30.1.1	22,084,259	13,964,902
30.1.1 Break up of investments at fair value			
Balance At Saving Account		22,084,259	13,964,902
		22,084,259	13,964,902

30.2 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

30.3 Investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies.

31. Transactions with related parties

The related parties comprise of Holding Company, Associated Companies, other related Companies, key management personnel and employees retirement benefit funds. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration to key management personnel is disclosed in note 31. Other significant transactions with related parties are disclosed in note 30.1.

31.1 Transactions during the year

Nature / name of related party	Relationship of related party	Nature of transactions	2024 (Rupees)	2023
Director / Shareholders / associates				
Sardar Mahmood Sadiq (Late)	Director	Loan	-	-
Sardar Ayaz Sadiq	Sponsor	Loan	-	-
Mrs.Reema Ayaz	Chief Executive	Loan	-	-
Sardar Mahmood Sadiq (Late)	Director	Markup on loan	(3,377,994)	(4,137,950)
Sardar Ayaz Sadiq	Sponsor	Markup on loan	(4,025,767)	(3,418,308)
Mrs.Reema Ayaz	Chief Executive	Markup on loan	(847,530)	(719,644)
Sardar Ayaz Sadiq	Sponsor	Head office rent	(2,092,270)	(1,894,500)
Sardar Industries (Private) Limited	Associated undertaking	Lahore gadown rent	(967,560)	(921,480)

31.2 All transactions with related parties have been carried out on mutually agreed terms and conditions.

31.3 Following is a list of local associated undertakings with whom the Company has entered into transactions during the year.

Name	Basis of Association
Associated undertakings	
Sardar Industries (Private) Limited	Common directorship

32. Remuneration of Chief Executive Officer, Directors and Executive

	Chief Executive Office		Directors		Executives	
	2024	2023	2024	2023	2024	2023
Managerial remuneration	2,580,645	1,935,480	3,225,806	3,774,186	1,161,290	967,740
House rent allowance	1,161,290	870,970	1,451,613	1,698,393	522,581	435,480
Utilities allowance	258,064	193,550	322,580	377,421	116,129	96,780
Employer Contribution to Provident Fund	258,068	193,550	322,584	377,421	-	-
Number of Persons	1	1	2	2	1	1

32.2 The Chief Executive, director and executives are provided with free use of Company maintained Cars in accordance with their entitlements.

32.3 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

33. Cash and cash equivalents

Cash and bank balances	19	13,093,163	18,739,826
		13,093,163	18,739,826

34. Number of employees

Number of employees as at June 30	131	126
Average number of employees during the year	<u>112</u>	<u>107</u>
Employees working in the Company's factory at the year end	114	97
Average employees working in Company's factory during the year	<u>109</u>	<u>94</u>

35. Capacity and production of industrial units

Rated capacity (Metric Ton) on 360 days basis	660	660
Actual production (Metric Ton)	<u>362</u>	<u>322</u>
Percentage of production	55%	49%

Under production is regulated with the demand of our valued customers. The management of the company keeps strict control over volume of production to avoid blockage of unnecessary finances in the stocks.

36. Segment reporting

Segment information is presented in respect of how the Company's chief decision maker allocates resources and monitors performance based on business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

The Company's chief decision maker reviews the Company's performance on single segment accordingly the financial information has been prepared on basis of single reportable segment.

36.1 All assets of the Company as at 30 June 2024 are located in Pakistan.

	2024 RUPEES	2023 RUPEES
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37. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

37.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

37.1.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Since there have been no foreign currency receivables and payables as at reporting date therefore the Company is not exposed to currency risk with respect to foreign receivables and payables.

37.1.2 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity and commodity price risk.

37.1.3 Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing and short term borrowings. As the borrowings are obtained at variable rates, these expose the Company to cash flow interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2024	2023
	(Rupees)	
Floating rate instruments		
Financial liabilities		
Lease liabilities	9,926,527	13,839,911
Long term loan	37,684,386	-
Loan from directors	35,184,524	46,000,000
Financial assets		
Bank balances - saving accounts	9,988,720	13,218,310

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date, fluctuate by 1% higher / lower with all other variables held constant, profit/(loss) before taxation for the year would have been Rs. 827,954 (2023: Rs. 598,399) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at balance sheet dates were outstanding for the whole year.

37.2 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024	2023
	(Rupees)	
Long term deposits	4,573,230	5,289,430
Trade debts	186,166,984	146,530,846
Advances, deposits, prepayments and other receivables	1,834,816	8,693,852
Cash and bank balances	13,093,163	18,739,826

The aging of trade debts at balance sheet date is as follows:

1 - 30 days	25,567,496	30,142,038
31 - 60 days	63,702,277	58,727,366
61 - 120 days	84,648,171	34,622,115
120 days and above	12,249,040	23,039,327
	186,166,984	146,530,846

The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of parties and trade debts are subject to specific credit ceilings based on customer credit history.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rate:

Agency	Rating	
	Short term	Long term
Allied Bank Limited	PACRA	A-1+ AAA
Askari Bank Limited	PACRA	A-1+ AA+

Due to company's long standing business relationship with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligation to the company. Accordingly, the credit risk is minimal.

37.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

37.3.1 The following are the contractual maturity analysis of financial liabilities as at June 30, 2024

Description	Carrying Amount	On Demand	Contractual cash flows	Within 1 Year	1-2 Years	2-5 Years
Lease liabilities	10,422,615	-	-	3,514,188	6,908,427	-
Long term loan	37,684,386	-	-	2,898,798	2,898,798	31,886,790
Loan from directors	35,184,524	35,184,524	-	-	-	-
Trade and other payables	36,801,188	-	36,801,188	36,801,188	-	-
Unclaimed dividend	2,205,234	2,205,234	-	-	-	-

37.3.2 The following are the contractual maturity analysis of financial liabilities as at June 30, 2023

Description	Carrying Amount	On Demand	Contractual cash flows	Within 1 Year	1-2 Years	2-5 Years
Lease liabilities	14,949,595	-	-	4,176,328	10,603,522	169,745
Loan from directors	46,000,000	46,000,000	-	-	-	-
Trade and other payables	16,497,429	-	16,497,429	16,497,429	-	-
Unclaimed dividend	2,304,599	2,304,599	-	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30th June. The rates of interest / mark up have been disclosed in Note 5 and 8 to these financial statements.

37.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2024 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

38. Financial instruments by categories

Financial asset as at amortized cost

	2024	2023
	(Rupees)	
Long term deposits	4,573,230	5,289,430
Advances, deposits, prepayments and other receivables	1,834,816	8,693,852
Trade debts	186,166,984	146,530,846
Cash and bank balances	13,093,163	18,739,826
	<u>205,668,193</u>	<u>179,253,954</u>

Financial liabilities at amortized cost

	2024	2023
	(Rupees)	
Lease liabilities	9,926,527	13,839,911
Long term loan	37,684,386	-
Trade and other payables	36,801,188	16,497,429
Loan from directors	35,184,524	46,000,000
Unclaimed dividend	2,205,234	2,304,599
	<u>121,801,859</u>	<u>78,641,939</u>

38.1 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

39. Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchase shares, if possible, selling surplus property, plant and equipment without affecting the optimal operating level, and regulate its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

As on the balance sheet date, the gearing ratio of the Company was as under:

	2024	2023
	(Rupees)	
Total borrowings	82,795,437	59,839,911
Cash and bank balances	(13,093,163)	(18,739,826)
Net Debt	69,702,274	41,100,085
Equity	304,162,165	251,832,737
Total capital employed	<u>373,864,439</u>	<u>292,932,822</u>
Gearing Ratio	<u>19%</u>	<u>14%</u>

There were no major changes in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

	2024 RUPEES	2023 RUPEES
40. Cash Generated from Operations		
Profit before taxation	76,977,090	30,876,754
<u>Adjustments for non- cash items:</u>		
Depreciation	6,010,052	5,365,059
Financial Changes	11,387,801	10,705,702
Workers profit participation fund	4,134,296	1,658,257
Impact of Remeasurement of Lease Liability	(979,144)	-
Workers welfare fund	1,571,032	630,138
	22,124,037	18,359,157
Profit before Working Capital Changes	99,101,127	49,235,911
<u>Effect of working capital changes:</u>		
(Increase) / decrease in current assets		
Advances, deposits, prepayments and other receivables	6,859,036	(2,915,832)
Stores, spares and loose tools	(59,125)	(74,600)
Stock-in-trade	(17,215,906)	(9,350,328)
Trade debts	(39,636,138)	(5,635,483)
(Decrease) / increase in current liabilities		
Trade and other payables	15,294,478	(5,184,573)
	(34,757,656)	(23,160,816)
Cash flow from/used in operations	64,343,471	26,075,095

41. Corresponding figures

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However no significant reclassification have been made.

42. Geographical location and address of business units

The business units of the Company includes the following:

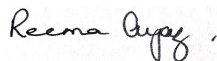
Business unit	Location
Plant	Plot.No.29-B, Road No.01 Gadoon Amazai,Industrial Estate,Topi,Ganduf Road,Sawabi(K.P.K)
Marketing and Sales Office Lahore	2-A,2nd Floor, Canal Bank Road, Justice Sardar Iqbal Road, Aziz Avenue, Gulberg-V, Lahore, Pakistan
Marketing and Sales Office Faislabad	2nd Floor Ismail Manzil Satyana Road Faislabad, Pakistan
Marketing and Sales Office Sialkot	Main Defence Road, Fateh Garh, Sialkot City, Pakistan
Marketing and Sales Office Karachi	Shop No. 11, Chemical Market, Sector 7-A, Korangi Industrial Area, Karachi, Pakistan

43. Date of authorization for issue

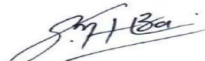
These financial statements were authorized for issue on October 04, 2024 by the Board of Directors of the Company.

44. General

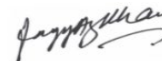
These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures have been rounded off to the nearest of thousands of rupee unless otherwise stated in these financial statements.



Chief Executive



Chief Financial Officer



Director

**THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING**

1.1 Name of the Company **SARDAR CHEMICAL INDUSTRIES LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2024**

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
80	1	100	5,025
1,392	101	500	679,289
62	501	1,000	58,198
105	1,001	5,000	301,346
12	5,001	10,000	88,342
5	10,001	15,000	64,000
3	15,001	20,000	57,000
1	20,001	25,000	20,200
1	30,001	35,000	32,000
3	35,001	40,000	115,100
1	40,001	45,000	41,450
1	85,001	90,000	89,000
1	90,001	95,000	92,000
1	95,001	100,000	97,100
1	100,001	105,000	102,000
2	110,001	115,000	226,200
1	115,001	120,000	115,500
1	140,001	145,000	142,800
1	270,001	275,000	274,050
1	280,001	285,000	281,250
1	285,001	290,000	289,450
1	295,001	300,000	296,950
1	325,001	330,000	329,000
1	465,001	470,000	468,750
1	700,001	705,000	703,750
1	1,030,001	1,035,000	1,030,250
1,681			6,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	1,352,350	22.5392%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	196,800	3.2800%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	5,887	0.0981%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	20,200	0.3367%
2.3.7 Shareholders holding 10% or more	1,775,450	29.5908%
2.3.8 General Public		
a. Local	4,180,162	69.6694%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	244,601	4.0767%

SARDAR CHEMICAL INDUSTRIES LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail): - -

Mutual Funds (Name Wise Detail) - -

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MRS. TAYYBAH MAHMOOD SADIQ (CDC)	1,071,700	17.8617%
2	MRS. REEMA AYAZ (CDC)	274,050	4.5675%
3	MR. FAYYAZ AHMED KHAN.	1,000	0.0167%
4	MR. AITZAZ AHMAD TARAR	600	0.0100%
5	MR. ABDUL REHMAN QURESHI	500	0.0083%
6	MR. NIAZ AHMED CHUGHTAI	4,500	0.0750%
7	MR. SHAHID AZIZ (NIT NOMINEE)	-	0.0000%

Executives: - 0.0000%

Public Sector Companies & Corporations: - -

Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds: 26,087 0.4348%

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

S. No.	NAME	HOLDING	%AGE
1	MRS. TAYYBAH MAHMOOD SADIQ (CDC)	1,071,700	17.8617%
2	MR. ALI MOHYUDDIN DIN (CDC)	703,750	11.7292%
3	SARDAR AYAZ SADIQ (CDC)	468,750	7.8125%
4	SHEIKH JAMIL AHMED (CDC)	329,000	5.4833%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

Sr. No.	Name	Sale	Purchase
1	MRS. TAYYBAH MAHMOOD SADIQ (CDC)	-	41,950
2	MRS. REEMA AYAZ (CDC)	-	212,050

اطلاع برائے سالانہ اجلاس عام

تمام متعلقہ افراد کو بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ سردار کیمیکل انڈسٹریز لمیٹڈ کا 35 واں سالانہ اجلاس عام اس کی فیکٹری اور رجسٹرڈ آفس پلاٹ نمبر B-29، روڈ نمبر R-1 گدون امازئی انڈسٹریل اسٹیٹ، ٹوپی ضلع صوابی، خیبر پختونخواہ 28 اکتوبر 2024 بروز پیر صبح 11:00 بجے مندرجہ ذیل کاروبار کی انجام دہی کے لئے منعقد ہوگا۔

- ۱۔ پچھلے اجلاس عام منعقدہ 27 اکتوبر 2023 کی کارروائی کی توثیق۔
- ۲۔ 30 جون 2024 کو ختم شدہ سال کے لئے آڈٹ شدہ حسابات اور اس کے ساتھ چیئر مین جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی اور ان پر غور کی منظوری۔
- کمپنیز ایکٹ 2017 کے سیکشن 223 اور SRO 389(I)/2023 مورخہ 21 مارچ 2023 کے مطابق کمپنی کے مالی بیانات کمپنی کی ویب سائٹ پر اپ لوڈ کیے گئے ہیں جنہیں درج ذیل ویب لنک اور QR کوڈ سے ڈاؤن لوڈ کیا جاسکتا ہے۔

<https://sardarchemicals.com/financial-report/>



- ۳۔ بورڈ آف ڈائریکٹرز کی تجویز کے مطابق 20 فیصد یعنی 2 روپے فی حصہ کے حتمی نقد ڈیویڈنڈ کا اعلان اور منظوری دینا۔
- ۴۔ اگلے سال 30 جون 2025 کے لئے کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین کرنا۔

مخصوص کاروبار:

- ورکنگ ڈائریکٹرز کے معاوضے کو بڑھانا۔
- ۱۔ چیف ایگزیکٹو 4,00,000 روپے ماہانہ کرنے کی تجویز ہے۔
- ۲۔ ورکنگ ڈائریکٹر 4,00,000 روپے ماہانہ کرنے کی تجویز ہے۔
- کمپنی ایکٹ 2017 کے سیکشن (3) 134 کے مطابق مخصوص کاروبار کی تفصیل سالانہ میٹنگ کے نوٹس کے ساتھ جملہ حصہ داران کو بھجوا رہے ہیں۔

دیگرا مور:

صاحب صدر کی اجازت سے کسی بھی دیگرا مور کی انجام دہی۔

نوٹس:

بورڈ کی اجازت سے

کمپنی سیکرٹری

مورخہ 17 اکتوبر 2024

لاہور

- ۱۔ کمپنی کی شیئر ٹرانسفر بکس 22 اکتوبر تا 28 اکتوبر 2024 (بشمول دونوں دن) بند رہیں گی۔
- ۲۔ اجلاس میں شرکت کے لئے:

انفرادی CDC شیئر ہولڈر اور ذیلی اکاؤنٹ ہولڈر اپنی شناخت اصل شناختی کارڈ یا پاسپورٹ دکھا کر میٹنگ میں شرکت کرسکتا ہے۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بمعہ نامزد فرد (جو کارپوریٹ ادارے کی جانب سے شرکت اور ووٹ دینے کا مجاز ہو) کے دستخط کا نمونہ پراسی فارم کے ہمراہ دفتر کو جمع کراوانا ضروری ہے۔

3- پراسیز کے تقرر کے لئے:

افراد کی صورت میں، اکاؤنٹ ہولڈر اور ایف فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور جن کی رجسٹریشن کی تفصیلات قواعد کے مطابق مندرج ہیں وہ مندرجہ بالا ضابطے کے مطابق پراسیز فارم جمع کرائیں گے۔

پراسیز فارم پر دو افراد کی گواہی لازمی ہے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج کیے جائیں گے۔ بینیفیشل مالکان اور پراسیز کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراسیز فارم کے ساتھ منسلک کی جائیں گی۔ پراسیز اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ اجلاس کے وقت پیش کریں گے۔

کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / اپار آف انارنی، بیج نامزد فرد (جو کارپوریٹ ادارے کی جانب سے اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو) کے دستخط کا نمونہ، پراسیز فارم کے ہمراہ کمپنی کو جمع کروانا لازمی ہے۔

4- ممبران کے پتے میں ہونے والی کسی بھی تبدیلی سے متعلق فوری طور پر کمپنی کے شیئر رجسٹرار میسرز کارپ لنک لاہور کو مطلع فرمائیں۔

5- انفرادی ممبران سے گزارش ہے کہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل شیئر رجسٹرار کے پاس جلد از جلد جمع کروادیں۔

6- SECP کے سرکلر نمبر 5 سال 2020 کے مطابق ممبران مذکورہ ایجنڈے پر اپنے تمبرے / اتحادیہ واٹس ایپ نمبر 0300-8429502 پر ای

ای میل کے ذریعے بھی شیئر کر سکتے ہیں (cc:nac.blacksmith@gmail.com) اور info@sardarchemicals.com

7- سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنا 389(1)/2023SRQ مورخہ 03-2023-21 کے مطابق اپنے آڈٹ شدہ مالیاتی

حسابات کو فعال QR کوڈ اور ویب لنک کے ذریعے ممبران کو منتقل کرنے کی اجازت دی ہے۔ ممبران کی جانب سے کمپنی کو ای میل فراہم کیے جا نے میں کمپنی آڈٹ شدہ حسابات ای میل کے ذریعے ارسال کرے گی۔ مطالبہ پر اور باضابطہ طور پر سالانہ آڈٹ شدہ مالی حسابات کی کاپیاں مفت فراہم کرے گی۔ فارم کمپنی کی ویب سائٹ سے حاصل کیا جاسکتا ہے:

<http://sardarchemicals.com/wp-content/uploads/2022/10/Accounts-Circulation-Form.pdf>

8- جیسا کہ SECP نے سرکلر نمبر 10 مورخہ 21 مئی 2014 کے ذریعے اجازت دی ہے کہ ممبران اس سالانہ جنرل میٹنگ میں شرکت کرنے

کے لئے ویڈیو کانفرنس کی سہولت حاصل کر سکتے ہیں۔ بشرطیکہ کمپنی ان ممبران سے میٹنگ سے 10 دن پہلے رضامندی حاصل کرے گی، جو

ممبران 10 فیصد یا اس سے زیادہ شیئر ہولڈنگ رکھتے ہوں۔

9- کمپنی کو فائلر اور نان فائلر کی متعلقہ شرح پرنیکس کٹوتی کرنے کے لئے تمام شیئر ہولڈرز جو ٹیکس ریٹرن فائل کرنے والے ہیں ان کو مشورہ دیا جاتا

ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے نام ایکٹو ٹیکس دہندگان کی فہرست میں درج ہیں جو کہ ایف بی آر کی ویب سائٹ پر فراہم کی گئی ہے۔ سی

ڈی سی اکاؤنٹ رکھنے والے کارپوریٹ شیئر ہولڈرز کے لئے ضروری ہے کہ وہ اپنے متعلقہ شرکاء کے ساتھ اپنا NTN اپ ڈیٹ کروائیں۔ جبکہ

کارپوریٹ فزیکل شیئر ہولڈرز اپنے NTN سرٹیفکیٹ کی کاپی ہماری شیئر رجسٹرار M/s Corplink (Pvt) Ltd کو بھیجیں۔ ایف بی آر

نے وضاحتی خط نمبر exp(54)1 مورخہ 25 ستمبر 2014 میں واضح کیا ہے کہ مشترکہ کھاتوں میں حصص رکھنے والوں کو انفرادی طور پر فائلرز

اور نان فائلرز کے طور پر سمجھا جائے گا اور ٹیکس ہر شیئر ہولڈر کے متناسب ہولڈنگ کے مطابق کاٹا جائے گا۔

10- اراکین سے درخواست کی جاتی ہے کہ وہ اپنا بینک اکاؤنٹ عنوان، بینک اکاؤنٹ نمبر (24 ہندسوں کا) IBAN، بینک کا نام، بینک برانچ، بینک

برانچ کا مکمل پتہ اور بینک برانچ کا کوڈ وغیرہ بتائیں۔

11- ممبران سے درخواست کی جاتی ہے کہ وہ میٹنگ میں آن لائن شرکت کرنے کے لئے کمپنی کے ساتھ رجسٹریشن کروائیں اور متعلقہ معلومات کاروبار کے اختتام 25 اکتوبر 2024 تک فراہم کریں جیسا کہ (نام، شناختی کارڈ نمبر، فوٹیو، سی ڈی سی اکاؤنٹ نمبر، موبائل نمبر اور ای میل)۔

مندرجہ بالا معلومات info@sardarchemicals.com, cc:nac.blacksmith@gmail.com اور

Whatsapp No: 0300-8429502 پر فراہم کی جاسکتی ہیں۔

12- فزیکل شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے حصص کو کسی بھی بروکر کے ساتھ سی ڈی سی سب اکاؤنٹ کھول کر یا سی ڈی سی کے ساتھ براہ راست انویسٹر اکاؤنٹ کھول کر بک انٹری فارم میں تبدیل کروائیں۔

13- ممبران کو 28 اکتوبر 2024 کو صبح 11:00 بجے منعقد ہونے والی سالانہ جنرل میٹنگ میں ای ووٹنگ کے ذریعے یا ڈاک کے ذریعے ووٹ ڈالنے کا حق استعمال کرنے کی اجازت دی جائے گی۔ یہ سہولت مذکورہ ضوابط کی شرائط کے مطابق دی جا رہی ہے۔

ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ای ووٹنگ سروس فراہم کنندہ M/s Corplink (Pvt) Ltd کے ذریعے کمپنی کے ان اراکین کو فراہم کی جائیں گی جن اراکین کے کمپنی کے رجسٹر میں درست شناختی کارڈ نمبر، موبائل نمبر اور ای میل موجود ہیں۔ ای ووٹنگ لائنیں 25 اکتوبر 2024 صبح 9:00 بجے شروع ہوں گی اور 27 اکتوبر 2024 کو شام 5:00 بجے بند ہو جائیں گی۔

کمپنی کے اراکین Companies (Postal Ballot) Regulations, 2018 کی دفعات کے مطابق پوسٹل بیلٹ کے ذریعے اپنے ووٹ کا حق استعمال کر سکتے ہیں۔ اراکین مکمل حل شدہ اور دستخط شدہ بیلٹ پیپر کمپیوٹرائزڈ قومی شناختی کارڈ کی کاپی کے ساتھ میٹنگ کے چیئرمین کو دفتری اوقات کے دوران میٹنگ سے ایک دن قبل 27 اکتوبر 2024 تک پلاٹ نمبر B-29، روڈ نمبر R-1، گدون اماڑی،

انڈسٹریل اسٹیٹ، ٹوپی، گندف روڈ، ضلع صوابی، کے پی کے پر ارسال کریں یا info@sardarchemicals.com اور

cc:nac.blacksmith@gmail.com پر ای میل کریں۔ آپ کے بیلٹ پیپر پر دستخط شدہ شناختی کارڈ کے دستخط سے مماثل ہونے

چاہئیں۔ بیلٹ پیپر رپورٹ کے ساتھ منسلک کیا گیا ہے۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے مطابق مخصوص کاروبار کی تفصیل:

مخصوص کاروبار کی تفصیل جس کی اجازت کمپنی کے حصہ داران سے کمپنی کے سالانہ اجلاس مورخہ 28 اکتوبر 2024 کو لینا مقصود ہے۔

۱- چیف ایگزیکٹو 4,00,000 روپے ماہانہ کرنے کی تجویز ہے۔

۲- ورکنگ ڈائریکٹر 4,00,000 روپے ماہانہ کرنے کی تجویز ہے۔

(ہم کمپنی کی چیف ایگزیکٹو کو -/4,00,000 روپے ماہانہ تنخواہ

ورکنگ ڈائریکٹر کو 4,00,000 روپے ماہانہ تنخواہ دینے کی اجازت دیتے ہیں)

اور پر بیان شدہ مخصوص کاروبار میں کسی بھی ڈائریکٹر کا مفاد نہیں ہے۔

ڈائریکٹرز رپورٹ برائے سال ختم شدہ 30 جون 2024

سردار کیمیکل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے آڈٹ شدہ مالی حسابات کے ساتھ سالانہ رپورٹ

پیش کرتے ہیں۔

مالیاتی نتائج کا مختصر جائزہ:

2023	2024	
	(ہزاروں میں)	
366,291	503,870	بکری صانی
108,020	175,514	ناخالص منافع
30,877	76,977	خالص منافع ٹیکس کے بغیر
24,329	52,329	خالص منافع ٹیکس کے بعد
4.05	8.72	فی حصہ آمدنی

ہمارے رنگ ٹیکسٹائل، ڈائنگ، پرنٹنگ اور چمڑے کی مصنوعات کے لئے ہیں۔ رنگوں کے علاوہ ہم ٹیکسٹائل کی صنعتوں کے لئے پاؤڈر اور مائع کی شکل میں

آپٹیکل برائٹنر بھی تیار کر رہے ہیں۔

گذشتہ سال کے مقابلے میں خالص فروخت میں 37.56 فیصد اضافہ ہوا ہے۔ زرمبادلہ کی شرح مستحکم ہے جس نے صنعتی شعبے میں اہم کردار ادا کیا ہے اور اس

کے نتیجے میں ہم کلوگرام کے ساتھ ساتھ روپے میں بھی اپنی فروخت بڑھانے میں کامیاب ہوئے ہیں۔ کمپنی کے ڈائریکٹرز اور انتظامیہ کا خیال ہے کہ مستقبل قریب میں کارو

باری سرگرمیاں عروج پر ہوں گی۔

سال کے دوران ہم نے کم سے کم مارک اپ ریٹ پراسٹیٹ بینک آف پاکستان سے قابل تجدید توانائی کے لئے ٹرم فنانس کے ذریعے لیز پر اپنی

فیکٹری کے لئے سولر سسٹم خریدنے کا منصوبہ بنایا اور حاصل کیا ہے۔ ہم ماحول دوست اور صاف ستھری شمسی توانائی کی طرف بڑھ چکے ہیں۔ تاہم سال کے دوران سولر سسٹم کی

تخصیص کا کام جاری ہے۔

ہم نے اپنی مصنوعات میں مزید درستی کے لئے سپیکٹرو فوٹومیٹر بھی حاصل کیا ہے۔ سپیکٹرو فوٹومیٹر ایک ایسا آلہ ہے جو نمونے کے محلول سے گزرنے کے بعد جذب

ہونے والے فوٹان کی مقدار (روشنی کی شدت) کی پیمائش کرتا ہے۔

مستقبل کا امکان:

ہم پہلے کی طرح اپنے منافع کو برقرار رکھنے کے لئے ہر امید ہیں حالانکہ ہمیں درآمد کنندگان کی جانب سے انڈرانوائٹنگ اور اپورٹڈ تیار شدہ مصنوعات کی غلط بیانی سے سخت

مقابلے کا سامنا ہے۔

ڈیویڈنڈ:

کمپنی کے بورڈ آف ڈائریکٹرز نے 20 فیصد یعنی 2 روپے فی شیئر کے ڈیویڈنڈ کا اعلان کرنے کا فیصلہ کیا ہے۔ ڈائریکٹرز اسپانسرز کے سوائے ہم اپنے پبلک شیئر ہولڈرز میں

ڈیویڈنڈ تقسیم کریں گے۔ کاروبار سالانہ جنرل میٹنگ میں اراکین کی منظوری سے مشروط ہوگا۔

آڈٹ کمیٹی:

کمپنی نے باقاعدہ آڈٹ کمیٹی بنا رکھی ہے جس میں تین عدد ڈائریکٹرز ہیں جو کہ اپنی متعلقہ ذمہ داریاں احسن طریقے سے سرانجام دے رہے ہیں۔

:HR & R

کمپنی نے HR & R کمیٹی بھی بنا رکھی ہے جس میں تین عدد ڈائریکٹرز شامل ہیں۔ جو کہ کمپنی کو کارپوریٹ گورننس کے مطابق بہتر طریقہ سے چلانے میں مددگار ہوتے ہیں۔

کاروباری سماجی ذمہ داری:

ہم نے اپنے باہر جانے والے گندے پانی کے لئے بھاری فلٹرز نصب کیے ہیں اور ساتھ ہی اپنے باہر جانے والے پانی کو صاف کرنے کے لئے ویسٹ واٹر فلٹریشن پلانٹ بھی لگایا ہے۔

ہماری فیکٹری کا پلاٹ چار ایکڑ پر مشتمل ہے اور ہم نے 108x435 فٹ کی باؤنڈری دیوار کے اندر ایک ایکڑ اراضی وقف کر دی ہے جس میں فیکٹری کے کارکنوں اور عملے کے لئے بیڈمنٹن کورٹ اور کرکٹ کھیلنے کی سہولت موجود ہے۔ ہمارے کارخانے کی زمین کا ایک حصہ زرعی سرگرمیوں اور سبزیاں اگانے کے لئے بھی وقف ہے۔

کمپنی نے کم سے کم مارک اپ ریٹ پرائیٹ بینک آف پاکستان سے قابل تجدید توانائی کے لئے ٹرم فنانس کے ذریعے فیکٹری کے لئے سولر سسٹم لیز پر حاصل کیا ہے۔ ہم ماحول دوست، صاف ستھری اور قابل تجدید توانائی کے ذرائع کی طرف بڑھ چکے ہیں۔ تاہم سال کے دوران سولر سسٹم کی تنصیب کا کام جاری ہے۔

ڈائریکٹرز ٹینگ پروگرام:

ہمارے تمام ڈائریکٹرز تعلیم اور تجربہ کی بنیاد پر ٹینگ سے مستثنیٰ ہیں، سوائے محترمہ طیبہ محمود صادق صاحبہ کے جو کہ اعلیٰ تعلیم یافتہ اور متعلقہ علوم میں مہارت رکھتی ہیں۔

ٹرانسفر پرائسنگ:

ہماری کمپنی ٹرانسفر پرائسنگ کے قوانین پر مکمل عملدرآمد کر رہی ہے۔

بورڈ آف ڈائریکٹرز:

کمپنی کا بورڈ آف ڈائریکٹرز سات ڈائریکٹرز پر مشتمل ہے جس میں NIT کا ایک نامزد ڈائریکٹر بھی شامل ہے۔ سال کے دوران کمپنی کے اکاؤنٹس اور دیگر متعلقہ امور پر تبادلہ خیال، حسابات اپنانے اور منظوری دینے کے لئے بورڈ کے چار اجلاس منعقد ہوئے۔ بورڈ میں تین ایگزیکٹو ڈائریکٹرز اور دو نان ایگزیکٹو اور دو آزاد ڈائریکٹرز شامل ہیں۔

بیلنس شیٹ کے بعد حالات:

بیلنس شیٹ بننے کے بعد اب تک کوئی بھی ایسی تبدیلی نہیں ہوئی جس کا ذکر کیا جائے۔

پراویڈنٹ فنڈ:

30 جون 2024 کو پراویڈنٹ فنڈ میں مبلغ -/22,960,693 روپے تھے۔

آڈیٹرز:

موجودہ آڈیٹرز میسرز اسلم ملک اینڈ کمپنی کو اہلیت کی بنیاد پر آڈٹ کمیٹی نے ان کو دوبارہ برائے سال 30 جون 2025 کمپنی کا آڈیٹ مقرر کرنے کی سفارش کی ہے۔

کمپنی کے حصہ داران کی تفصیل:

کمپنی کے حصہ داران کی تفصیل مورخہ 6-30-2024 منسلک ہے۔ کمپنی کے ڈائریکٹرز، کمپنی سیکرٹری اور ان کے افراد خانہ میں سے کسی نے بھی کمپنی کے حصص کا

کاروبار نہیں کیا۔

پیداوار:

ہم اپنی انوینٹری میں تقریباً 56 مصنوعات رکھتے ہیں کیونکہ گاہک مصنوعات کی مکمل ریچ کا مطالبہ کرتے ہیں اور اگر ہمارے پاس ایک یا دو پروڈکٹس دستیاب نہیں ہیں تو وہ اپنی مطلوبہ مصنوعات حاصل کرنے کے لئے درآمد شدہ مصنوعات فروخت کرنے والے تاجروں اور کمپنیوں کے پاس جاسکتے ہیں اور ہمارے ہاتھ سے نکل جاتے ہیں۔

مصنوعات کی مانگ کا پوری طرح سے اندازہ نہیں لگایا جاسکتا کیونکہ رنگ اور شیڈز بدلتے رہتے ہیں اس لئے کافی مقدار میں خام مال اور تیار مصنوعات کو ہر وقت دستیاب ہونا چاہیے۔

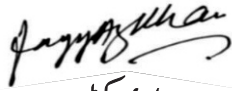
کوڈ آف کارپوریٹ گورننس سے ہم آہنگی:

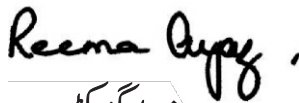
پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کے رول بک میں شامل کئے گئے کوڈ آف کارپوریٹ گورننس کے عین مطابق، ڈائریکٹرز درج ذیل کے اظہار پر مسرت محسوس کرتے ہیں۔

- ☆ کمپنی انتظامیہ کی جانب سے تیار کیے گئے مالیاتی گوشواروں میں معاملات کی واضح صورت، اس کے انتظامی نتائج، کیش فلوز اور ایکویٹی کی تبدیلیوں کو واضح انداز میں پیش کیا گیا ہے۔
- ☆ کمپنی کے اکاؤنٹ بکس درست انداز میں برقرار رکھے گئے ہیں۔
- ☆ مالیاتی گوشواروں اور اکاؤنٹنگ بیانات کی تیاری مناسب اور محتاط انداز کی بنیاد پر متعلقہ اکاؤنٹنگ پالیسیز کے تحت کی گئی ہے۔
- ☆ فنانشل اسٹیٹمنٹس کی تیاری پاکستان میں لاگو انٹرنیشنل اکاؤنٹنگ کے معیاروں کے مطابق کی گئی ہے اور اس سے کسی طرح کے انحراف کو باقاعدہ واضح کیا گیا ہے۔
- ☆ انٹرنل کنٹرول کا سسٹم بہترین ہے اور اس پر بہترین انداز میں عمل درآمد اور نگرانی کی جاتی ہے۔
- ☆ کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی بھی شک و شبہ کی کوئی گنجائش نہیں ہے۔
- ☆ PSX کے رول بک میں مفصل کارپوریٹ گورننس پر بہترین انداز میں عمل درآمد سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا۔

اعترافات:

بورڈ آف ڈائریکٹرز کمپنی کے قابل قدر کاروباری صارفین کے مسلسل تعاون اور اعتماد کے لئے شکریہ ادا کرتے ہیں۔ ہم اپنے ملازمین کی کمپنی کے لئے بے پناہ لگن اور ان کے تعاون کی بھی تعریف کرتے ہیں۔

فیاض احمد خان

ڈائریکٹر

محترمہ ریما ایاز صاحبہ

چیف ایگزیکٹو

مورخہ 4 اکتوبر 2024

گدون امازی



SARDAR CHEMICAL INDUSTRIES LIMITED

BALLOT PAPER FOR VOTING THROUGH POST

For poll at the Annual General Meeting of Sardar Chemical Industries Limited to be held on Monday, October 28, 2024 at the Company's Registered Office: Plot No. 29-B, Road No. R-1, Gadoon Amazai Industrial Estate, Topi, Ganduf Road, District Swabi, KPK. Designated email address of the Chairman at which the duly filled in ballot paper may be sent: info@sardarchemicals.com

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
<u>Additional Information and enclosures</u> (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below;

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Special Business: Agenda Item 1: To enhance the remuneration of the Chief Executive and Working Director. i. Chief Executive to Rs. 400,000/- P.M. ii. Working Director to Rs. 400,000/- P.M. “RESOLVED THAT the remuneration payable to the Chief Executive of the Company be and is hereby increased to Rs. 400,000/- (Four hundred thousand only). The remuneration of Working Director to Rs. 400,000/- (Four hundred thousand only).			

<p>Signature of shareholder(s)</p> <p>Place: _____</p> <p>Date: _____</p>	<p>NOTES:</p> <ol style="list-style-type: none">Duly filled postal ballot should be sent to chairman <u>Plot No. 29-B, Road No. R-1, Gadoon Amazai Industrial Estate, Topi, Ganduf Road, District Swabi, KPK</u> or through email at info@sardarchemicals.comCopy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot formPostal ballot forms should reach chairman of the meeting till 5.00 p.m. October 27, 2024. Any postal ballot received after this date, will not be considered for voting.Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
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FORM OF PROXY
SARDAR CHEMICAL INDUSTRIES LIMITED

Register Folio No. _____

FORM OF PROXY

IMPORTANT

Instrument of proxy will not be considered as valid unless they are deposited or received at the Company's Share Registrar , CorpLink (Pvt.) Ltd., Wings Arcade, 1-K, Commercial, Model Town, Lahore not later than 48 hours before the time of holding.

I/We _____ of _____,
_____ ,
being Member(s) of SARDAR CHEMICAL INDUSTRIES LIMITED and holder of _____
shares _____ hereby _____ appoint
_____ of _____ as a proxy to
vote on my/our behalf at the _____ Annual General Meeting of the Company to be held on
_____, 2024 _____
and at any adjournment thereof.

Date: _____

Signatures: _____

Signature of
member(s) across
Revenue Stamp
of PKR 20/-

Witnesses:

1. Signature: _____

Name: _____

Address: _____

CNIC or Passport No. _____

2. Signature: _____

Name: _____

Address: _____

CNIC or Passport No. _____