

Annual Report 2018



Sardar

Chemical Industries Limited



ISO 9001 CERTIFIED



ANNUAL REPORT 2018

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COMPANY INFORMATION

CHIEF EXECUTIVE	Sardar Mahmood Sadiq
DIRECTORS	Mr. Shahid Aziz (NIT Nominee) Sardar Ayaz Sadiq Mr. Fayaz Ahmed Khan Mr. Aitzaz Ahmad Tarar Mrs. Tayyabah Mahmood Saiq Mrs. Reema Ayaz
AUDIT COMMITTEE	Mr. Aitzaz Ahmad Tarar Mrs. Tayyabah Mahmood Sadiq Mrs. Reema Ayaz
COMPANY SECRETARY	Mr. Niaz Ahmed Chughtai
AUDITORS	Aslam Malik & Co. Chartered Accountants
HR & REMUNERATION	Mrs. Tayyabah Mahmood Sadiq Mr. Aitzaz Ahmad Tarar Mrs. Reema Ayaz
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: sarchem@brain.net.pk
Web: www.sardarchem.net

REGISTERED OFFICE/ FACTORY

Plot. NO. 29-B, Road No. 01
Gadoon Amazai, industrial Estate, Topi,
Ganduf Road, Swabi (NWFP)
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 29th Annual General Meeting of the shareholders of SARDAR CHEMICAL INDUSTRIES LIMITED. will be held at Plot No. 29-B, Road No. 1, Gadoon Amazai Industrial Estate, Topi, Ganduf Road, District Swabi K.P.K. on Saturday 27th October 2018, at 03:30 P.M. to transact the following business:-

ORDINARY BUSINESS

1. To confirm the minutes of 28th Annual General Meeting held on 31st October 2017.
2. To receive, consider and adopt the Audited Statement of Accounts for the year ended June 30, 2018, together with the Directors' and Auditors' report thereon.
3. To approve, as recommended by the Board of Directors, final dividend @ 7.5% (Rs. 0.75 per share) in form of cash for the year ended 30-06-2018.
4. To appoint Auditors for the year ended June 30, 2019, and fix their remunerations.

SPECIAL BUSINESS

1. To enhance the remuneration of the working Directors to Rs. 200,000 P.M.

A statement of material facts 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

1. To transact any other ordinary business with the permission of the Chair.

Lahore. 3rd October 2018.

By Order of the Board

Company Secretary

Notes:

1. The Shares Transfer Books of the Company will remain closed from 21-10-2018 to 27-10-2018 (both days inclusive).
 2. The members are requested to notify immediately the change in their address if any.
 3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her.
 4. The instrument appointing proxy and the power of attorney or other authority under which it is signed or a notarized attested copy of power of attorney must be deposited at the Registered Office of Company at least 45 hours before the time of meeting.
 5. Members who have deposited their shares into CDC will further have to follow the guidelines as laid down by the Securities and Exchange Commission of Pakistan.
 6. Shareholders who have not yet submitted attested photocopy of their Computerized National Identity Card to the Company are requested to send the same at their earliest.
 7. In compliance with the SECP Notification No. 634(1)2014 Dated 10-07-2014, the financial statements and reports of the Company for the year ended June 30, 2018 have been placed on the Company's web site www.sardarchem.net
- A. For Attending the Meeting**
- a. 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.
 - b. 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.
- B. For Appointing Proxies**
- a. 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.

- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of Meeting.
- e. 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.

C. Consent for Video Conference Facility

- a. 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.

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 27th October, 2018.

- 1. To enhance the remuneration payable to Directors to Rs. 200,000 P.M. for working Directors.

"Resolved that the remuneration payable to the working Directors of the Company be and is hereby increased to Rs. 200,000 (Two Lacs Only) P.M."

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 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 employees 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;

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of **SARDAR CHEMICAL INDUSTRIES LIMITED** feel pleasure in submitting the annual report along with audited financial statements for the year ended June 30, 2018.

RESULTS FOR THE HALF YEAR ARE SUMMERIZED AS FOLLOWS:

	<u>2018</u>	<u>2017</u>
	(Rupees in thousands)	
Sales-Net	204,826	190,662
Gross Profit	52,861	38,721
Profit/(Loss) before Taxation	15,189	6,769
Profit/(Loss) after Taxation	10,562	3,955
Earning per share (Rs.)	1.76	0.66

It is evident from the above that there is increase of about 7.43% in net Sales as compared to the previous year's results. Our dyes are mainly for Leather and Textile export oriented industries. The exports of the country have gone down due to many national and international reasons. Due to reduction in exports especially in Leather sector affected our Sales results otherwise our Sales for the year can be increase much more. Due to increase in the rate US dollar and increase in prices of our products the local market response was also slow and our customers are lifting only their needs. The business activities in the country were not favourable.

The Government has announced export incentives for the export oriented industries that make the industries able to increase their exports. The government has announced load shedding free energy for the industries also. The law and order of the country has also improved, therefore, the directors of your Company are hope full for increase in the exports of the country we being facilitator industries to the export industries will get its share and accordingly increase in the sales of the Company with in near future.

FUTURE PROSPECTS

The Company is operating in competitive environments competing with the unorganized sector. Having a strong knowledge and experience of dyes business, the management is now focusing on increase in volume, improving buying, reducing wastages and increasing efficiencies. The Company will continue to focus on quality products meeting with the international standards and remedial measures will be taken to put the Company on the path of profitability with consistency in production and supply.

DIVIDEND

The Board of Directors of the Company has decided to declare dividend of 7.5% only to keep the better liquidity of the Company as the price of US dollar is going high and seems to be uncontrollable.

BOARD OF DIRECTORS

The Board of directors of the Company comprises of seven directors including one nominee director of NIT. During the year one of our Directors Mrs. Mona Mahmood has resigned and casual vacancy was duly filled in for the remaining tenure.

During the year under review four Board meetings were held, to discuss, adopt and approve the accounts and other matters of the Company. There was 90% attendance of the directors was witnessed in the Board Meetings.

The Board comprises of Two Executive Directors and four non-executives and one independent director.

AUDIT COMMITTEE:

Due to resignation of one of our directors the audit was committee was reconstituted as under:

- | | |
|--------------------------------|----------|
| 1. Mr. Aitzaz Ahmed Tarar | Chairman |
| 2. Mrs. Tayyabah Mahmood Sadiq | Member |
| 3. Mrs. Reema Ayaz | Member |

During the year under review four Board meetings were held, to discuss, adopt and approve the accounts and other matters of the Company. There was 100% attendance of the directors was witnessed in the Board Meetings.

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 will help the Board 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 the selection, evaluation, compensation (including retirement benefits) and succession planning.
3. Recommending to the Board the selection evaluation, condensation (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 position.

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

- | | |
|--------------------------------|---------------|
| a. Mrs. Tayyabah Mahmood Sadiq | (Chairperson) |
| b. Mr. Aitzaz Ahmed Tarar | (Member) |
| c. Mr. Reema Ayaz | (Member) |

Only meeting was conducted during the period under review.

DIRECTORS' TRAINING PROGRAMMES

The existing Board of Directors fully complied with the exemption from training program criteria except Mr. Aitzaz Ahmed Tarar and newly casual vacancy filled Mrs. Tayyabah Mahmood Sadiq who are highly qualified.

TRANSFER PRICING

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

POST BALANCE SHEET EVENTS

There has been no event subsequent to the balance sheet data 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. 30,304,383 as on 30th June, 2018.

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, 2019.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as on 30-06-2018 is annexed. The directors, Company Secretary and their spouse and minor children have made no transactions in Company's share during the year.

PRODUCTION

Our volume of production is regulated with the demand of our customers. The management of the Company keeps strict control over volume of production and market demand to avoid blockage of unnecessary finances in the stocks.

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 for devotion and dedication of Company's Employees in taking the Company forward.

On behalf of the Board



SARDAR MAHMOOD SADIQ
Chief Executive

October 03, 2018.
Place: Lahore

KEY OPERATING & FINANCE DATA FOR LAST SIX YEARS

PARTICULARS	2018	2017	2016	2015	2014	2013
Net Sales	204,826,170	190,662,109	195,556,597	202,178,685	206,708,018	174,378,050
Gross Profit	52,861,202	38,720,676	37,553,497	38,471,252	39,117,422	37,955,188
Operating Profit/(Loss)	23,408,134	8,671,615	7,486,947	10,972,754	12,095,392	10,861,964
Profit/(Loss) before tax	15,189,464	6,769,507	4,461,762	5,984,867	6,163,921	4,991,925
Profit/(Loss) after tax	10,562,283	3,955,224	3,769,472	3,643,443	4,174,927	3,582,524
Paid - up Capital	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Net Worth	127,411,543	116,849,259	114,394,035	110,624,563	106,981,120	102,806,193
FINANCIAL POSITION						
Fixed assets net	20,282,803	19,476,138	21,659,493	21,205,852	24,765,664	28,881,068
Total assets	15,156,928	139,533,354	157,543,991	158,907,410	156,564,855	154,931,985
Long term liabilities	2,425,960	1,334,285	5,228,862	4,279,036	6,465,487	7,957,757
RATIOS						
Gross Profit	25.81%	20.31%	19.20%	19.03%	18.92%	21.77%
Profit/(Loss) before tax	7.42%	3.55%	2.28%	2.96%	2.98%	2.86%
Profit/(Loss) after tax	5.16%	2.07%	1.93%	1.80%	2.02%	2.05%
RETURN TO SHAREHOLDER						
ROCE before Tax	11.92%	5.79%	3.90%	5.41%	5.76%	5.00%
ROCE after Tax	8.29%	3.38%	3.30%	3.29%	3.90%	3.48%
Earning per share	1.76	0.66	0.63	0.61	0.70	0.59
LIQUIDITY/LEVERAGE						
Current Ratio	5.99	5.63	3.51	3.11	3.03	2.82
Break up Value Per Share	16.24	14.47	14.07	13.44	12.83	12.13
Total Liabilities to Equity (times)	0.19	0.19	0.38	0.44	0.46	0.51
ACTIVITY						
Sales to total assets	1.35	1.37	1.24	1.27	1.32	1.12
Sales to fixed assets	10.10	9.79	9.03	9.53	8.35	6.04

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of company: Sardar Chemical Industries Limited

Year ending: June 30, 2018

The company has complied with the requirements of the Regulations in the following manner:

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

Gender	Number
Male	5
Female	2

2. The composition of board is as follows:

Category	Names
Independent Directors	1. Mr. Aitzaz Ahmad Tarar
Other Non Executive Directors	1. Mr. Fayaz Ahmed Khan 2. Mr. Aitzaz Ahmad Tarar 3. Sardar Ayaz Sadiq 4. Mrs. Reema Ayaz
Executive Director	1. Sardar Mahmood Sadiq (Chief Executive) 2. Mrs. Tayyabah Mahmood Sadiq (

Further, as per the proviso to Regulation 6 of the 2017 Code, grace period has been prescribed in respect of transition phase for composition of the Board with respect to minimum number of independent directors as specified in the 2017 Code. Subsequent to the year end, fresh election for the Company's Board of Directors were held on October 31, 2017 and the related requirement of the 2017 Code has also been complied with.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. 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.
5. 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 or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In terms of Regulation 20 of the 2017 Code, the Companies are required to ensure that all the directors on their board have acquired the prescribed certification under Director Training Program by June 30, 2021.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

Committees	Composition/Names
Audit Committee	Chairman: Mr. Aitzaz Ahmed Tarar (Independent Director) Members: Mrs. Tayyabah Mahmood Sadiq Mrs. Reema Ayaz
HR & Remuneration Committee	Chairman: Mrs. Tayyabah Mahmood Sadiq Members: Mr. Aitzaz Ahmad Tarar Mrs. Reema Ayaz

The Company was in compliance with the Code of Corporate Governance, 2012 for the year ended June 30, 2018. Further, during the year, the committees of the Board of Directors have been reconstituted to comply with the requirements of the 2017 Code.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. 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, 2018
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2018

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. 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 regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

Dated: October 3, 2018.
Place: Lahore.


SARDAR MAHMOOD SADIQ
Chief Executive



Aslam Malik & Co.
Chartered Accountants

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Central Plaza, Civic Centre,
New Garden Town, Lahore-Pakistan.

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, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Sardar Chemical Industries Limited** for the year ended 30 June 2018 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried procedures to access and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Other Offices at:

Islamabad: House # 726, Street 34, Margalla Town, off Murree Road, Islamabad.
Phone : +92-51-2374282-3 Fax: +92-51-2374281

Karachi: 1001-1003 10th Floor, Chapal Plaza, Hasrat Mohani Road, Off LI Chundrigar Road, Karachi
Tel: + 92-21-32425911-2, Fax: +92-21-32432134

Aslam Malik & Co.

Continuation Sheet

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 2018.

Place: Lahore

Date: 03 October 2018



(Aslam Malik & Co.)

Chartered Accountants

Mohammad Aslam Malik



Aslam Malik & Co.
Chartered Accountants

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New Garden Town, Lahore-Pakistan.

INDEPENDENT AUDITOR'S REPORT TO 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, 2018**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant 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 and other comprehensive income, the statement of changes in equity and the 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, 2018 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.

Other Offices at:

Islamabad: House # 726, Street 34, Margalla Town, off Murree Road, Islamabad.
Phone : +92-51-2374282-3 Fax: +92-51-2374281

Karachi: 1001-1003 10th Floor, Chapal Plaza, Hasrat Mohani Road, Off I.I Chundrigar Road, Karachi
Tel: +92-21-32425911-2, Fax: +92-21-32432134

Aslam Malik & Co.

Continuation Sheet

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.

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>New Requirement under Companies Act, 2017: (Refer note 2 to the financial statements)</p> <p>The provisions of the fourth schedule to the Companies Act, 2017 (the Act) became applicable to the Company for the first time in the preparation of these annexed financial statements.</p> <p>The Act, has also brought certain changes with regards to preparation and presentation of the annual financial statements of the Company.</p> <p>As part of this transition to the requirements, the management performed a gap analysis to identify differences, between the previous and the current financial reporting framework and as a result certain changes were made in the Company's annexed financial statements.</p> <p>In view of the extensive impacts in the annexed financial statements due to first time application of the fourth schedule to the Act, we considered it as a key audit matter.</p>	<p>We reviewed and understood the requirements of the Fourth schedule to the Act. Our audit procedures included the following:</p> <ul style="list-style-type: none"> i. Considered the management's process to identify the additional disclosures required in the Company's annexed financial statements. ii. Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence. iii. Verified on test basis the supporting evidence for the additional disclosure and ensured appropriateness of the disclosures made.

Aslam Malik & Co.

Continuation Sheet

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 for the year ended June 30, 2018.

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, on other information obtained prior to the date of this auditor's report, 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 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

Aslam Malik & Co.

Continuation Sheet

- 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

Aslam Malik & Co.

Continuation Sheet

- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Mohammad Aslam Malik.

Place: Lahore
Date: 03 October 2018

✓
(Aslam Malik & Co.)
Chartered Accountants
Mohammad Aslam Malik

SARDAR CHEMICAL INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	JUNE 30, 2018	JUNE 30, 2017
		Rupees	Rupees
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<u>Authorised Capital:</u>			
10,000,000 (2017: 10,000,000) ordinary shares of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and Paid up:			
6,000,000 (2017: 6,000,000) ordinary shares of Rs. 10/- each fully paid in cash		60,000,000	60,000,000
Share premium		30,000,000	30,000,000
unappropriated profit		37,411,543	26,849,259
		127,411,543	116,849,259
NON CURRENT LIABILITIES			
Obligation under finance lease	4	2,425,960	1,334,285
Deferred tax	5	-	184,837
CURRENT LIABILITIES			
Current maturity	6	1,699,891	3,890,112
Short term finance	7	9,613,295	9,427,033
Creditors, accrued & other liabilities	8	8,787,688	6,078,768
Unclaimed Dividend	9	1,584,507	1,584,507
Mark up Accrued	10	38,045	184,553
		21,723,426	21,164,973
CONTINGENCIES & COMMITMENTS			
	11	-	-
		151,560,928	139,533,354
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	20,282,803	19,476,138
Deferred Tax	5	481,305	-
Long term deposits	13	574,000	883,600
		21,338,108	20,359,738
CURRENT ASSETS			
Stores, spares and loose tools	14	605,371	775,228
Stock in trade	15	8,924,230	12,458,320
Trade debts	16	79,915,888	68,158,713
Current maturity of long term deposits		883,600	1,740,700
Advances, deposits, prepayments and other receivables	17	1,252,073	992,873
Taxation- Net	18	17,098,651	21,149,744
Cash and bank balances	19	21,543,007	13,898,039
		130,222,820	119,173,617
		151,560,928	139,533,354

The annexed notes from 1 to 39 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

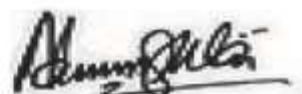
SARDAR CHEMICAL INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30,2018

		JUNE 30, 2018	JUNE 30, 2017
		Rupees	
Sales - Net	20	204,826,170	190,662,109
Cost of sales	21	(151,964,968)	(151,941,433)
Gross profit		52,861,202	38,720,676
Administrative Expenses	22	(24,976,119)	(19,328,814)
Selling & distribution Costs	23	(10,476,948)	(10,720,246)
		(35,453,067)	(30,049,060)
Operating profit for the year		17,408,134	8,671,615
Other Operating Income	24	560,301	932,065
Other Operating Expenses	25	(1,191,052)	(549,879)
Finance Cost	26	(1,587,920)	(2,284,294)
Profit for the year before tax		15,189,464	6,769,507
Taxation	27	(4,627,181)	(2,814,283)
Profit / (Loss) for the year after tax		10,562,283	3,955,224
Earning per Share (Rs. / Share)	32	1.76	0.66

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

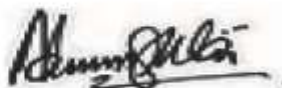
SARDAR CHEMICAL INDUSTRIES LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	JUNE 30, 2018	JUNE 30, 2017
	Rupees	
Profit for the year after tax	10,562,283	3,955,224
Other Comprehensive Income	-	-
Total Comprehensive Income	10,562,283	3,955,224

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

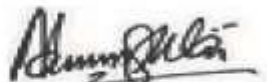
SARDAR CHEMICAL INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

PARTICULARS	Share Capital	RESERVES			Total Shareholders Equity
		CAPITAL	REVENUE	TOTAL	
		Share Premium	Accumulated Profit		
		Rupees			
Balance as at June 30, 2016	60,000,000	30,000,000	24,394,035	54,394,035	114,394,035
Interim Dividend for the year 2016-2017	-	-	(1,500,000)	(1,500,000)	(1,500,000)
Total Comprehensive income for the year ended June 30, 2017	-	-	3,955,224	3,955,224	3,955,224
Balance as at June 30, 2017	60,000,000	30,000,000	26,849,259	56,849,259	116,849,259
Balance as at June 30, 2017	60,000,000	30,000,000	26,849,259	56,849,259	116,849,259
Interim Dividend for the year 2017-2018	-	-	-	-	-
Total Comprehensive income for the year ended June 30, 2018	-	-	10,562,283	10,562,283	10,562,283
Balance as at June 30, 2018	60,000,000	30,000,000	37,411,543	67,411,543	127,411,543

The annexed notes from 1 to 39 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

SARDAR CHEMICAL INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30,2018

	JUNE 30, 2018	JUNE 30, 2017
	Rupees	
Cash flow from operating activities		
Profit/(loss) before Taxation.	15,189,464	6,769,507
<u>Adjustments for non- cash items:</u>		
Depreciation	2,691,821	3,052,605
Financial Changes	1,587,920	2,284,294
Profit on sale of fixed assets	(343,486)	-
Provision for doubtful debts	6,000,000	-
Workers profit participation fund	815,761	363,561
Workers welfare fund	309,989	138,153
Written off bad debts	-	-
	11,062,005	5,838,614
Profit before Working Capital Changes	26,251,468	12,608,121
<u>Effect of working capital changes:</u>		
(Increase)/Decrease in store, spares & loose tools	169,857	(64,207)
(Increase)/Decrease in stock in trade	3,534,090	9,518,809
(Increase)/Decrease in trade debts	(17,757,175)	(1,618,823)
(Increase)/Decrease in advances, deposits & prepayment	(259,200)	(294,612)
Increase/(Decrease) in creditors accrued & other liabilities	1,964,817	(1,812,713)
Increase/(Decrease) in unclaimed dividend	-	-
	(12,347,611)	5,728,454
Financial charges paid	(1,734,428)	(2,611,860)
Workers profit participation fund paid	(363,561)	(243,026)
Tax paid	(1,260,315)	8,023,553
	(3,358,304)	5,168,668
Net cash used in operating activities	A 10,545,553	23,505,243
Cash flow from investing activities		
Long term deposits	1,166,700	-
Addition in fixed assets	(675,000)	(869,250)
Sale proceeds of fixed assets	390,000	-
Net cash generated from investing activities	B 881,700	(869,250)
Cash flow from financing activities		
Repayment of lease obligation	(3,968,546)	(2,756,730)
Proceeds from short term finances	186,262	(15,482,964)
Dividend paid	-	(1,500,000)
Net cash generated from financing activities	C (3,782,284)	(19,739,693)
Net increase/(decrease) in cash & cash equivalents	A+B+C 7,644,968	2,896,299
Cash & cash equivalents at beginning of the year	13,898,039	11,001,739
Cash & cash equivalents at end of year	21,543,007	13,898,039


 Chief Executive Officer


 Chief Financial Officer


 Director

SARDAR CHEMICAL INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), 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 Significant Transactions and Events Effecting the Company's Financial Position and Performance

- a) The exchange rate of US Dollar to Pakistan Rupee has increased from PKR 103.87 as at June 30, 2017 to PKR 120.35 as at June 30, 2018. This movement in exchange rate has caused positive by increasing selling prices of our products
- c) For a detailed discussion about the Company's performance please refer to the Directors' report.

2.3 Adoption of New And Revised Standards And Interpretations

The fourth schedule to the Companies Act, 2017 (the Act) became applicable to the Company for the first time for the preparation of these financial statements. The Act (including its fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst other, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

The Act has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes include change in nomenclature of primary financial statements. Further, the disclosure requirements contained in the Fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

The following are the standards, amendments & interpretations which have been issued but are not yet effective for the current financial year and have not been early adopted by the Company.

Description		Effective for annual periods beginning on or
IAS 19	Employee benefits (Amendments)	January 01, 2019
IAS 28	Investment in Associates and Joint Ventures	January 01, 2019
IAS 40	Investment Property (Amendments)	January 01, 2018
IFRS 2	Share-based Payment (Amendments)	January 01, 2018
IFRS 4	Insurance Contracts (Amendments)	January 01, 2018
IFRS 9	Financial Instruments	July 01, 2018
IFRS 15	Revenue from contracts with customers	July 01, 2018
IFRS 16	Leases	January 01, 2018
IFRIC 22	Foreign Currency Transactions and Advance	January 01, 2018
IFRIC 23	Uncertainty Over Income Tax	January 01, 2018

The management anticipates that, except as stated below, adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 9, 15 and 16 on its financial statements.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

2.4 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 significant 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. 12.

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.

(b) Lease hold Assets

The company is lessee,

Leases where the company has substantially all the risks and rewards of ownership are classified as finance lease. At inception finance leases are capitalized at the lower of present value of minimum lease payments under the lease agreements and the fair value of assets. The related rental obligations, net of finance charges, are included in obligation under finance lease as referred to in note # 4. The liability are classified as current and long term depending upon the timing of the payment. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

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

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

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 of 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 when identified.

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

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 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.

3.10 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

3.11 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

3.12 Related Party Transactions

All transactions with related parties are made at arm's length prices determined in accordance with comparable uncontrolled price method.

3.13 Revenue Recognition:

Revenue is recognized when it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Sales are recorded when goods are dispatched to customers and invoices raised to the customers.

3.14 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.

3.15 Impairment of Assets

The management assesses at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the assets. If the recoverable amount of the assets is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the year.

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

3.17.1 Financial Assets

The company classifies its financial assets in the following categories; at fair value through profit or loss, loans and receivables, available-for-sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired Management determines the classification of its financial assets at the time of initial recognition.

Loans and receivables Loans and receivables are non-derivation financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities for greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are classified as trade debts, loans and advances, deposits, other receivables and profit receivable from banks in the Balance Sheet.

Changes in fair value of securities classified as available-for-sale are recognised in equity.

3.17.2 Financial Liabilities

All financial liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instruments.

All the financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired. Where 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 and modification is treated as a derecognised in the profit & loss account.

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 Financial Expenses

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

4 OBLIGATION UNDER FINANCE LEASE

2017-2018
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023

Less: Financial charges pertaining to future period

Present value of minimum lease payments

Less: Current maturity of long term obligation

JUNE 30, 2018	JUNE 30, 2017
Rupees	
-	4,053,355
1,942,260	1,345,080
597,180	-
597,180	-
597,180	-
1,071,650	-
4,805,450	5,398,435
(679,599)	(174,037)
4,125,851	5,224,398
(1,699,891)	(3,890,112)
2,425,960	1,334,285

Minimum lease payments and their present value are regrouped as below:

	JUNE 30, 2018		JUNE 30, 2017	
	MLP	PV of MLP	MLP	PV of MLP
Due not later than 1 year	1,942,260	1,699,891	4,053,355	3,890,112
Due later than 1 year but not later than 5 years	2,863,190	2,425,960	1,345,080	1,334,285
	4,805,450	4,125,851	5,398,435	5,224,397

GENERAL TERMS AND CONDITIONS OF LEASE

The Company has acquired vehicles on finance lease from Orix Leasing Pakistan Limited. The particulars of these leases are as follows:-

Repayment:	ORIX LEASING PAKISTAN LTD.
Vehicles	36 equal monthly installments.
Lease terms:-	
Vehicles	5 Years latest by May 2023.
Implicit interest rate:	Twelve months Lease Rate 11.27%
Residual value:	Rs. 1,457,600/-
Purchase option:	At the end of lease term on residual value.
Additional charge on	0.1% to 0.2% per day in case of default.

5 DEFERRED TAX

Deferred Tax

5.1 Deferred Taxation comprises the following

Deferred Tax Liabilities on Accelerated Depreciation
Deferred Tax Liability on Leased assets
Deferred Tax Asset on provisions

5.1.1 Deferred Taxation reconciliation

Opening Balance
Charge for the year
Closing Balance

(481,305)	184,837
312,448	788,149
274,750	296,337
(1,734,646)	(899,650)
(1,147,447)	184,837
184,837	-
(666,142)	184,837
(481,305)	184,837

- 5.2 Defferred tax asset amounting to Rs. 1,147,447 arising due to provision for doubtful debt made by the management during the financial year 2018 amounting to Rs. 6,000,000. Fifty percent of the defferred tax amount has not been recognized in the current year as the fifty percent of the attributable temporary difference are not expected in the forceable future.

CURRENT MATURITY

Current maturity

	JUNE 30, 2018	JUNE 30, 2017
	Rupees	
6.1	1,699,891	3,890,112
	1,699,891	3,890,112

6.1 These amounts represent that portion of long term liabilities which are repayable within one year.

7 SHORT TERM FINANCE

Allied Bank Limited

7.1 0 1,525,070

Askari Commercial Bank Limited

7.2 9,613,295 7,901,963

9,613,295 9,427,033

7.1 Allied Bank Limited

Short term finances obtained from Allied Bank of Pakistan Limited forms part of total sanctioned credit facility of Rs. 19.225 million (2017: Rs. 19.225 million) and carried a markup @ Three months Average Ask Side KIBOR+ 3.5% spread

The facility is secured against the following:

- o Hypothecation of stocks and stores other current assets.
- o Lien on import documents/letters of credit.
- o First equitable mortgage on the entire present and future fixed assets of the Company.
- o Personal guarantees of the directors of the Company.

7.2 Askari Commercial Bank Limited

- o Short terms finances obtained from Askari Bank Limited forms part of the total sanctioned credit facility of Rs. 20 million (2017: Rs. 20 million) and carried a markup @ Three months KIBOR+ 3.5%.
- o The facility is secured against the following:
- o 2nd ranking Hypothecation charge on Present & Future Book Debts, outstanding moneys, receivables, claims, bills, contracts, engagements, right & assets for Rs. 70 Million.
- o 2nd ranking Hypothecation charge on Present & Future stocks of raw materials inclusive of finished & semi finished goods/chemicals, stocks & inventories and work in progress for Rs. 70 Million.
- o 2nd ranking Hypothecation charge on Present & future fixed assets of the Co. in the shape of land, building plant & machinery, loose tools, spares & accessories for Rs.70 Million.
- o Pledge of finished goods of dyes colors etc.
- o First equitable mortgage of property owned by an Ex-Director of the Company.
- o Personal guarantee of Directors of the Company

8 CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors for goods	1,621,253	1,702,559
Creditors for expenses	340,349	331,403
Accrued expenses	4,361,832	2,101,847
Tax deducted at source	59,480	77,565
Provident Fund Account	175,697	385,707
Workers profit participation fund	8.1 815,761	363,561
Workers welfare fund	8.2 1,410,705	1,100,716
Sales Tax Payable	2,612	15,410
	8,787,688	6,078,768

8.1 WORKERS PROFIT PARTICIPATION FUND

Opening balance	363,561	243,026
Paid during the year	(363,561)	(243,026)
Contribution for the year	815,761	363,561
	815,761	363,561

8.2 WORKERS WELFARE FUND

	JUNE 30, 2018	JUNE 30, 2017
	Rupees	
Opening balance	1,100,716	962,562
Paid during the year	-	-
Contribution for the year	309,989	138,153
	1,410,705	1,100,716

9 Unclaimed Dividend

Opening balance	1,584,507	1,321,584
Final Dividend declared	-	-
Interim Dividend declared	-	1,500,000
Paid during the year	-	(1,237,077)
	1,584,507	1,584,507

9.1 This amount represents dividend of various shareholders pending due to compliance of SRO # 831(I)/2012 dated July 05, 2012.

10 ACCRUED MARKUP

Allied Bank of Pakistan	-	40,379
Askari Bank Limited	38,045	144,174
	38,045	184,553

11 CONTINGENCIES & COMMITMENTS**10.1 CONTINGENCIES**

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

<u>Name of Party</u>	<u>Claimed Amount</u>	<u>Since</u>
1 Malik Arij Dyes, Sialkot	Rs. 2,596,293	June 19, 2001
2 Standard Dyes, Lahore	Rs. 300,000	December 24, 2001
3 Piracha Leather, Karachi	Rs. 1,306,846	January 03, 2001
4 Bashir Tannery, Lahore	Rs. 286,178	February 17, 2001

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

10.2 COMMITMENTS

The Company has commitments against letters of credit issued in the normal course of business amounting to Rs. Nil (2017: Rs. 1,817,119) in favor of foreign suppliers for raw material.

12 PROPERTY PLANT AND EQUIPMENT

12.1 Fixed schedule is attached.

June 30, 2018

12.1

PARTICULARS	COST			DEPRECIATION					W.D.V.	
	AS AT 01-07-2017	ADDITION/ (DELETION)	TRANSFER/ ADJUSTMENT	AS AT 30-06-2018	RATE %	AS AT 01-07-2017	ADJUSTMENT	FOR THE YEAR	AS AT 30-06-2018	AS AT 30-06-2018
Lease hold land	1,222,152	-	-	1,222,152	-	-	-	-	-	1,222,152
Factory Building - Leasehold	27,208,559	-	-	27,208,559	10	24,942,598	-	226,596,10	25,169,194	2,039,365
Plant & machinery	63,919,466	675,000	-	64,594,466	10	57,107,500	-	686,822	57,794,322	6,800,144
Electric installation	1,388,455	-	-	1,388,455	10	1,251,934	-	13,652	1,265,586	122,869
Furniture & fixture	1,614,125	-	-	1,614,125	10	1,128,068	-	48,606	1,176,674	437,451
Tools & equipment	3,171,849	-	-	3,171,849	10	2,367,625	-	80,422	2,448,047	723,802
Vehicles	10,420,890	(590,000)	8,703,500	18,534,390	20	8,945,192	5,554,458	916,276	14,872,440	3,661,950
							(543,486)			
Electric & gas appliances	268,350	-	-	268,350	10	240,406	-	2,794	243,200	25,150
Laboratory equipment	2,368,869	-	-	2,368,869	25	2,335,442	-	8,357	2,343,799	25,070
Leased assets										
Vehicles	13,121,500	2,870,000	(8,703,500)	7,288,000	20	6,909,312	(5,554,458)	708,296	2,063,150	5,224,850
	13,121,500	2,870,000	(8,703,500)	7,288,000	20	6,909,312	(5,554,458)	708,296	2,063,150	5,224,850
June 30, 2018	124,704,215	2,870,000	8,703,500	127,650,215		105,228,077	-	2,691,821	107,376,412	20,282,803
		85,000	(8,703,500)			5,010,972				

12.2 The charge of depreciation has been allocated as under:-

Cost of sales
Administrative expenses

	JUNE 30, 2018	JUNE 30, 2017
Rupees		
	921,774	1,135,588
	1,770,046	2,111,668
	2,691,821	3,247,257

JUNE 30, 2018 JUNE 30, 2017
Rupees

20,282,803 19,476,138

12.3 CHARGE ON FIXED ASSETS

There is charge of Rs. 17 million over land, building and machinery of the company provided against running finance facility of Allied Bank and a charge of Rs. 70 million over present and future fixed assets of the company in the shape of land, building, plant and machinery provided against running finance facility of Askari Bank Limited.

12.4 Disposal of fixed assets:-

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Profit/ (Loss)	Mode of disposal	Buyer's name and address
	Rs.	Rs.	Rs.	Rs.	Rs.		
Suzuki Cultus LWJ 8264	590,000	543,486	46,514	390,000	343,486	Negotiation	Mr. Tauseef Ul Hassan Mirza House No. 153, Block 2, Sector C-I, Township Lahore.
Total	590,000	543,486	46,514	390,000	343,486		

12.5 No asset was sold to Chief Executive, Directors, Executives and Shareholders during the year.

12.6 Particular of Immovable property (i.e land and buildings) in the name of Company are as follows:

Location	Usage of Immovable Property	Total Area	Covered Area
Plot No. 29-B, Road No. 01 Gadoon Amazai, Industrial Estate, Topi, Ganduf Road, Swabi (KPK)	Plant	4 Acres	99,911.05 Sq.Fts

12.1	PARTICULARS	COST					DEPRECIATION			W.D.V.	
		AS AT 01-07-2016	ADDITION/ (DELETION)	TRANSFER/ ADJUSTMENT	AS AT 30-06-2017	RATE %	AS AT 01-07-2016	ADJUSTMENT	FOR THE YEAR	AS AT 30-06-2017	AS AT 30-06-2017
		1,222,152	-	-	1,222,152	-	-	-	-	-	1,222,152
	Lease hold land	27,208,559	-	-	27,208,559	10	24,690,825	-	251,773.40	24,942,598	2,265,961
	Factory Building - Leasehold	63,919,466	-	-	63,919,466	10	56,350,615	-	756,885	57,107,500	6,811,966
	Plant & machinery	1,388,455	-	-	1,388,455	10	1,236,765	-	15,169	1,251,934	136,521
	Electric installation	1,233,875	380,250	-	1,614,125	10	1,102,228	-	25,840	1,128,068	486,057
	Furniture & fixture	2,682,849	489,000	-	3,171,849	10	2,300,907	-	66,719	2,367,626	804,223
	Tools & equipment	10,420,890	-	-	10,420,890	20	8,576,268	-	368,924	8,945,192	1,475,698
	Vehicles	268,350	-	-	268,350	10	237,301	-	3,105	240,406	27,944
	Electric & gas appliances	2,368,869	-	-	2,368,869	25	2,324,299	-	11,143	2,335,442	33,428
	Laboratory equipment	110,713,465	869,250	-	111,582,715	-	96,819,208	-	1,499,558	98,318,766	13,263,949
	Leased assets	13,121,500	-	-	13,121,500	20	5,356,264	-	1,553,047	6,909,311	6,212,189
	Vehicles	13,121,500	-	-	13,121,500	20	5,356,264	-	1,553,047	6,909,311	6,212,189
	June 30, 2017	123,834,965	869,250	-	124,704,215	-	102,175,472	-	3,052,605	105,228,077	19,476,138

12 The charge of depreciation has been allocated as under:-

Cost of sales
Administrative expenses

	JUNE 30, 2018	JUNE 30, 2017
Rupees		
Cost of sales	1,019,801	1,135,588
Administrative expenses	2,032,804	2,111,668
	3,052,605	3,247,257

12 CHARGE ON FIXED ASSETS

There is charge of Rs. 17 million over land, building and machinery of the company provided against running finance facility of Allied Bank and a charge of Rs. 70 million over present and future fixed assets of the company in the shape of land, building, plant and machinery provided against running finance facility of Askari Bank Limited.

12 Disposal of fixed assets:-

Particulars	Cost	Depreciation	Value	Proceeds	(Loss)	disposal.	and address
	Rs.	Rs.	Rs.	Rs.	Rs.		
Honda Civic PT 504	1,803,000	1,353,986	449,014	1,250,000	800,986	Insurance Claim	M/s. United Insurance Co. Ltd. 2nd Floor-6-D, Upper Mall, Lahore
Suzuki Alto LE-12-2444	754,000	485,912	268,088	320,000	51,912	Negotiation	Mr. Ghulam Murtaza Village Dhool, Tehsil Sharapur Sharif Distt. Sheikhupura
Total	2,557,000	1,839,898	-	1,570,000	852,898		

		JUNE 30, 2018	JUNE 30, 2017
		Rupees	
13	<u>LONG TERM DEPOSITS</u>		
	Orix Leasing Pakistan Limited	574,000	883,600
		574,000	883,600
14	<u>STORES, SPARES & LOOSE TOOLS</u>		
	Stores	283,315	515,484
	Spares	276,898	195,871
	Loose tools	45,158	63,873
		605,371	775,228
15	<u>STOCK IN TRADE</u>		
	Raw material	2,994,910	6,087,340
	Work in process	1,057,000	850,140
	Finished goods	4,872,320	5,520,840
		8,924,230	12,458,320
16	<u>TRADE DEBTORS-UNSECURED</u>		
	Debtors	86,854,470	71,157,545
	Less: Provision for doubtful debts	6,938,582	2,998,832
		79,915,888	68,158,713
16.1	<u>Movement of Provision for doubtful debts</u>		
	Opening Balance	2,998,832	2,998,832
	Provision for the year	6,000,000	-
		8,998,832	2,998,832
	Less: Written off during the Year	2,060,250	-
		6,938,582	2,998,832
16.2	As at June 30, 2018 no amount was due from associates (2017: Nil).		
17	<u>ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</u>		
	Advances against material (Considered good)	122,979	90
	Advances against expenses (Considered good)	309,818	151,706
	Advances to employees (Considered good)	19,624	39,627
	Deposits & prepayments	499,230	499,230
	Deposits against letters of credit/guarantees	221,368	223,166
	Other receivables (Considered good)	79,054	79,054
		1,252,073	992,873
18	<u>TAXATION-Net</u>		
	<u>Income Tax</u>		
	Advance Tax	20,989,970	15,678,991
	Provision for taxation	(9,350,530)	(4,057,207)
		11,639,440	11,621,784
	<u>Sales Tax</u>		
	Sales Tax receivable	5,459,211	9,527,960
		17,098,651	21,149,744
19	<u>CASH AND BANK BALANCES</u>		
	Cash in hand	43,284	46,827
	Cash at banks:		
	Current accounts	21,499,723	13,851,212
		21,543,007	13,898,039
20	<u>SALES - Net</u>		
	Sales - Local	202,550,158	188,776,323
	Sales - Export	2,664,000	2,520,000
		205,214,158	191,296,323

		JUNE 30, 2018	JUNE 30, 2017
		Rupees	
Sales tax		63,562	313,718
Expenses on exports		324,426	320,496
		387,988	634,214
		204,826,170	190,662,109
21	<u>COST OF SALES</u>		
Raw material consumed	20.1	110,910,429	107,629,414
Packing drums		3,953,245	3,372,018
Salaries and wages		15,510,420	14,967,407
Insurance		105,000	175,978
Carriage inward		2,365,680	2,520,200
Stores, spares and loose tools consumed	20.2	2,589,315	144,079
Fuel and power	20.3	14,283,795	14,202,129
Repair and maintenance		714,182	2,304,055
Other production expenses		169,468	57,183
Depreciation	11.2	921,774	1,019,801
		151,523,308	146,392,264
<u>Work in process</u>			
Opening Stock		850,140	840,360
Closing Stock		(1,057,000)	(850,140)
		(206,860)	(9,780)
		151,316,448	146,382,484
<u>Finished goods</u>			
Opening Stock		5,520,840	11,079,789
Closing Stock		(4,872,320)	(5,520,840)
		648,520	5,558,949
		151,964,968	151,941,433
20.1	Raw material consumed:		
	Opening stock	6,087,340	10,056,980
	Purchases during the period	109,188,241	105,440,202
	Less: Sales Tax	(1,370,242)	(1,780,428)
		107,817,999	103,659,774
		113,905,339	113,716,754
	Closing stock	(2,994,910)	(6,087,340)
		110,910,429	107,629,414
20.2	Stores, spares & loose tools consumed:		
	Opening stock	775,228	711,021
	Purchases during the period	2,419,458	208,286
		3,194,686	919,307
	Closing stock	(605,371)	(775,228)
		2,589,315	144,079
20.3	Fuel & Power consumed:		
	Less: Sales Tax	16,855,019	16,558,504
		(2,571,224)	(2,356,375)
		14,283,795	14,202,129
22	<u>ADMINISTRATIVE EXPENSES</u>		
Salaries, wages & benefits		8,758,182	7,995,417
Directors remuneration		1,713,444	1,713,444
Electricity, gas & water		132,155	674,694
Travelling & conveyance		1,145,273	873,744
Repair & maintenance		572,938	1,733,250
Telephone, telex & postage		854,132	827,343
Rent, rates & taxes		1,060,960	1,024,271
Legal & professional charges		248,348	152,477
Auditor's remuneration - Audit fee		250,000	250,000
Printing & stationery		484,055	440,530
Advertisement		125,700	78,200
Entertainment		638,747	628,405
Insurance		525,138	371,975
Medical		4,990	-
Subscription		467,639	248,340
News papers & periodicals		50,952	72,380
Depreciation	11.2	1,770,046	2,032,804
Miscellaneous		173,420	211,540
Provision for doubtful debts		6,000,000	-
		24,976,119	19,328,814

	JUNE 30, 2018	JUNE 30, 2017	
	Rupees		
23 SELLING & DISTRIBUTION COSTS			
Staff salaries & benefits	6,184,135	6,341,031	
Electricity, gas & water	42,131	76,665	
Travelling & conveyance	977,574	990,460	
Repair & maintenance	219,867	514,200	
Rent, rates & taxes	941,798	1,021,428	
Entertainment	105,000	90,000	
Laboratory/testing expenses	29,970	111,611	
Telephone, telex & postage	96,342	109,792	
Carriage and cartage	1,880,131	1,465,059	
	10,476,948	10,720,246	
24 OTHER OPERATING INCOME			
Profit on Sale of fixed assets	343,486	-	
Sale of scrap	58,034	46,460	
Rent received	158,781	885,605	
	560,301	932,065	
25 OTHER OPERATING EXPENSES			
Workers Profit Participation Fund	815,761	363,561	
Workers Welfare Fund	309,989	138,153	
Loss on Exchange rate	65,302	48,165	
	1,191,052	549,879	
26 FINANCE COST			
Bank charges	203,980	149,361	
Mark-up on loans	1,152,176	1,654,543	
Leasing charges	231,765	480,390	
	1,587,920	2,284,294	
	JUNE 30, 2018	JUNE 30, 2017	
	Rupees		
27 TAXATION			
Current year			
For the year	5,869,558	2,098,547	
prior year	(576,235)	530,899	
	5,293,323	2,629,446	
Deferred			
Deferred Tax (Income) / Expense	(666,142)	184,837	
	4,627,181	2,814,283	
27.1 Corporate tax rate applicable for the year is 30% (2017: 31%).			
27.2 Management assessment of sufficiency of current tax provision			
27.2.1 It is management's assessment that the provision for taxation made in the financial statements is sufficient.			
27.2.2 Comparison of Tax Provision with Tax Assessment	2017	2016	2015
	Rupees		
Tax Provision as per Accounts	2,098,547	1,427,764	2,483,039
Tax Assessment	1,522,312	1,958,663	2,021,787
28 STAFF RETIRMENT BENEFITS			
	Audited	Audited	
28.1 Provident Fund			
(i) Size of fund	32,061,995	32,061,995	
(ii) Cost of investments	20,217,338	20,217,338	
(iii) Percentage of investments made	63.1%	63.1%	
(iv) Fair value of investments	32,221,403	32,221,403	
Break up of investments at fair value			
Special account in schedule bank	10,678,838	10,678,838	
Defence Saving Certificates	21,542,565	21,542,565	
	32,221,403	32,221,403	

29 REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVES

	2018			2017		
	Chief Executive	Directors	Executives	Chief Executive	Director	Executives
Managerial remuneration	625,932	479,508	964,512	625,935	479,508	941,544
Allowances:						
- House rent	281,676	215,784	434,028	281,676	215,784	423,696
- Utilities	62,592	47,952	96,456	62,592	47,952	94,158
Provident Fund						
Employer Contribution to PF	62,592	47,952	96,456	62,592	47,952	94,154
	1,032,792	791,196	1,591,452	1,032,795	791,196	1,553,552
Number of Persons	1	1	1	1	1	1

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

30 TRANSACTION WITH RELATED PARTIES

There was no party transactions related , other than remuneration to the chief executive, directors and executives of the Company under their terms of employment disclosed in note 29.

31 CAPACITY AND PRODUCTION

Production in manufacturing units:

Rated Capacity (M.Tons) on 360 days basis	660	660
Actual production (M. Tons)	392	374
Percentage of production	59%	57%

31.1 PRODUCTION

Our volume of 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.

32 EARNING PER SHARE

Net profit/(Loss) for the year	10,562,283	3,955,224
Number of ordinary shares issued	6,000,000	6,000,000
Earnings per share	1.76	0.66

33 NUMBER OF EMPLOYEES**33.1 Number of Employees at June 30**

Permanent	101	105
Temporary	7	12
	108	117

This included 83 (2017: 92) number of factory employees.

Average Number of Employees during the year

Permanent	103	105
Temporary	10	11
	113	116

This included 88 (2017: 91) number of factory employees.

34 Financial assets and liabilities

INTEREST BEARING NON INTEREST BEARING

Interest rate (%)	Maturity up to one year				Maturity after one year				Sub total		Total			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Financial assets:														
Long term deposits	-	-	-	-	-	-	883,600	1,740,700	-	-	883,600	1,740,700	2,624,300	2,624,300
Trade debts	-	-	-	-	-	-	79,915,888	68,158,713	-	-	79,915,888	68,158,713	1,457,600	1,457,600
Advances, deposits, prepayments & other receivable	-	-	-	-	-	-	597,908	617,911	-	-	597,908	617,911	79,915,888	79,915,888
Cash & banks	-	-	-	-	-	-	21,543,007	13,898,039	-	-	21,543,007	13,898,039	1,252,073	992,873
	-	-	-	-	-	-	102,940,403	84,415,363	-	-	102,940,403	84,415,363	21,543,007	13,898,039
Financial liabilities:														
	-	-	-	-	-	-	1,228,165	1,258,562	-	-	1,228,165	1,258,562	104,168,568	85,673,925

Lease rate

11.27%

Obligation under finance lease

1,699,891

3,890,112

2,425,960

1,334,285

4,125,851

5,224,398

9,613,295

9,427,033

184,553

305,336

11,656,567

13,807,035

2,425,960

1,334,285

4,125,851

5,224,398

9,613,295

9,427,033

184,553

305,336

11,656,567

13,807,035

2,425,960

1,334,285

4,125,851

5,224,398

9,613,295

9,427,033

184,553

305,336

11,656,567

13,807,035

2,425,960

1,334,285

4,125,851

5,224,398

9,613,295

9,427,033

184,553

305,336

11,656,567

13,807,035

2,425,960

1,334,285

4,125,851

5,224,398

9,613,295

9,427,033

184,553

305,336

11,656,567

13,807,035

2,425,960

1,334,285

4,125,851

5,224,398

9,613,295

9,427,033

184,553

305,336

11,656,567

13,807,035

2,425,960

1,334,285

4,125,851

5,224,398

9,613,295

9,427,033

184,553

305,336

11,656,567

13,807,035

2,425,960

1,334,285

4,125,851

5,224,398

9,613,295

9,427,033

184,553

305,336

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5,224,398

9,613,295

9,427,033

184,553

305,336

11,656,567

13,807,035

35 EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Company have proposed a final dividend (7.5%) for the year ended June 30, 2018 at their meeting held on October 03, 2018 for approval of members at the Annual General Meeting to be held on October 27, 2018.

These financial statements do not reflect this dividend payable

36 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, except for following:

Unpaid dividend* amounting to Rs. 1,548,507 previously presented under "Trade and other payables" now separately presented on the face of the statement of financial position.

37 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 Faisalabad	2nd Floor Ismail Manzil Satyana Road Faisalabad, 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

38 DATE OF AUTHORIZATION

These financial statements were authorize for issue on October 03, 2018 by the board of directors of the company.

39 GENERAL

- Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Chief Financial Officer



Director

FORM 34

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

30-06-2018

-----Shareholdings-----

2.2 No. of Shareholders	From	To	Total Shares Held
65	1	100	4,603
1,465	101	500	714,780
77	501	1,000	74,800
135	1,001	5,000	381,350
14	5,001	10,000	115,167
5	10,001	15,000	64,500
8	15,001	20,000	146,600
1	20,001	25,000	20,200
2	35,001	40,000	75,100
3	40,001	45,000	124,900
1	45,001	50,000	50,000
1	60,001	65,000	62,000
1	65,001	70,000	70,000
1	95,001	100,000	97,100
1	100,001	105,000	101,700
1	110,001	115,000	114,000
2	130,001	135,000	264,000
3	140,001	145,000	424,050
1	195,001	200,000	200,000
1	450,001	455,000	452,000
1	495,001	500,000	500,000
1	535,001	540,000	536,900
1	655,001	660,000	656,250
1	745,001	750,000	750,000
1,792			6,000,000

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	1,562,600	26.0433%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	201,200	3.3533%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	2,887	0.0481%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	30,200	0.5033%
2.3.7 Share holders holding 10% or more	1,406,250	23.4375%
2.3.8 General Public		
a. Local	4,043,112	67.3852%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
Joint Stock Companies	160,001	2.6667%

Sardar Chemical Industries Limited**Categories of Share Holders****As on 30th June, 2018****ONLY FOR INFORMATION
NOT FOR PRINTING**

S. No.	NAME	HOLDING	% AGE
<u>DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN</u>			
1	SARDAR MAHMOOD SADIQ	500,000	8.3333%
2	SARDAR AYAZ SADIQ (CDC)	750,000	12.5000%
3	MRS. MONA MAHMOOD (RESIGNED)	50,000	0.8333%
4	MRS. REEMA AYAZ (CDC)	62,000	1.0333%
5	MR. FAYYAZ AHMED KHAN	200,000	3.3333%
6	MR. AITZAZ AHMED TARAR	600	0.0100%
7	MR. SHAHID AZIZ (NIT NOMINEE)	0	0.0000%
8	MRS. TAYYABAH MAHMOOD SADIQ (CASUAL)	0	0.0000%
		1,562,600	26.0433%
<u>ASSOCIATED COMPANIES</u>			
		0	0.0000%
<u>NIT & ICP</u>			
1	INVESTMENT CORP OF PAKISTAN	41,400	0.6900%
2	NATIONAL BANK OF PAKISTAN TRUSTEE WING	17,000	0.2833%
3	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	142,800	2.3800%
		201,200	3.3533%
<u>FINANCIAL INSTITUTION</u>			
1	AL-FAYSAL INVESTMENT BANK LIMITED	2,800	0.0467%
2	NATIONAL BANK OF PAKISTAN (CDC)	4	0.0001%
3	NATIONAL BANK OF PAKISTAN (CDC)	83	0.0014%
		2,887	0.0481%
<u>INSRUANCE COMPANIES</u>			
		0	0.0000%
<u>MODARABA</u>			
1	LONG TERM VENTURE CAPITAL MODARABA.	20,200	0.3367%
2	FIRST UDL MODARABA (CDC)	10,000	0.1667%
		30,200	0.5033%
<u>MUTUAL FUNDS</u>			
		0	0.0000%
<u>JOINT STOCK COMPANIES</u>			
1	SAUDI PAK IND & A PVT LTD.	700	0.0117%
2	SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT CO	101,700	1.6950%
3	DARSON SECURITIES (PVT) LIMITED (CDC)	35,100	0.5850%
4	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000%
5	MRA SECURITIES LIMITED - MF (CDC)	17,500	0.2917%
6	MUHAMMAD AMER RIAZ SECURITIES (PVT) LTD. (CDC)	5,000	0.0833%
		160,001	2.3750%

EXECUTIVES

1	MR. HAMEED UD DIN MIRZA (14282-16024)	5,000	0.0833%
2	MR. NIAZ AHMED CHUGHTAI (4799)	5,000	0.0833%
		10,000	0.1667%

SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)

0	0.0000%
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SHARES HELD BY THE GENERAL PUBLIC (LOCAL)

4,033,112	67.2185%
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TOTAL:	6,000,000	100.0000%
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SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

S. No.	NAME	HOLDING	%AGE
1	SARDAR AYAZ SADIQ (CDC)	750,000	12.5000%
2	MR. AITZAZ MUNAWAR	656,250	10.9375%
		1,406,250	23.4375%

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

S. No.	NAME	HOLDING	%AGE
1	SARDAR AYAZ SADIQ (CDC)	750,000	12.5000%
2	MR. AITZAZ MUNAWAR	656,250	10.9375%
3	SARDAR MAHMOOD SADIQ	536,900	8.9483%
4	MR. ATIF SHABBIR (CDC)	452,000	7.5333%
		2,395,150	39.9192%

During the financial year the trading in shares of the company by the directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

Sr. No.	Name	Sale	Purchase
1	MR. FAYYAZ AHMED KHAN	204,200	
2	MR. AITZAZ AHMED TARAR		600

SARDAR CHEMICAL INDUSTRIES LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2018

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	SARDAR MAHMOOD SADIQ	500,000	8.3333%
2	SARDAR AYAZ SADIQ (CDC)	750,000	12.5000%
3	MRS. MONA MAHMOOD (RESIGNED)	50,000	0.8333%
4	MRS. REEMA AYAZ (CDC)	62,000	1.0333%
5	MR. FAYYAZ AHMED KHAN	200,000	3.3333%
6	MR. AITZAZ AHMED TARAR	600	0.0100%
7	MR. SHAHID AZIZ (NIT NOMINEE)	-	0.0000%
8	MRS. TAYYABAH MAHMOOD SADIQ (CASUAL)	-	0.0000%
Executives:		10,000	0.1667%

Public Sector Companies & Corporations: - -

Banks, Development Finance Institutions, Non Banking Finance 33,087 0.5515%

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

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

S. No.	NAME	HOLDING	%AGE
1	SARDAR AYAZ SADIQ (CDC)	750,000	12.5000%
2	MR. AITZAZ MUNAWAR	656,250	10.9375%
3	SARDAR MAHMOOD SADIQ	536,900	8.9483%
4	MR. ATIF SHABBIR (CDC)	452,000	7.5333%

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	MR. FAYYAZ AHMED KHAN	204,200	
2	MR. AITZAZ AHMED TARAR		600

A- اجلاس میں شرکت کے لئے:

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

B- پراکسیز کے تقرر کے لئے:

- (۱) افراد کی صورت میں، اکاؤنٹ ہولڈر اور / یا فرد جس کی سلیکچرٹیز گروپ اکاؤنٹ میں ہیں اور جن کی رجسٹریشن کی تفصیلات قواعد کے مطابق مندرج ہیں وہ مندرجہ بالا ضابطے کے مطابق پراکسی فارم جمع کرائیں گے۔
- (۲) پراکسی فارم پر دو افراد کی گواہی لازمی ہے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج کیے جائیں گے۔
- (۳) ہیفیشل مالکان اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ منسلک کی جائیں گی۔
- (۴) پراکسی اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ اجلاس کے وقت پیش کریں گے۔
- (۵) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی، بمعہ نامزد فرد (جو کارپوریٹ ادارے کی جانب سے اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو) کے دستخط کا نمونہ، پراکسی فارم کے ہمراہ کمپنی کو جمع کروانا لازمی ہے۔

- C- SECP کے سرکولر نمبر 10 کا مورخہ 21 مئی 2014 کے بموجب ممبران ویڈیو کانفرنس کی سہولت کے ذریعے اجلاس عام میں شرکت کرنے کے خواہشمند کے پاس کمپنی کے حصص کا 10 فیصد ہونے کی صورت میں کمپنی کے اجلاس سے 10 دن پہلے (اگر اس شہر میں ویڈیو کانفرنس کی سہولت موجود ہو تو) مطلع کریں۔

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 27 اکتوبر 2018 کو لینا مقصود ہے۔

- ۱۔ ڈائریکٹروں کی تنخواہوں میں اضافہ کی اجازت۔ دولاکھ روپے ماہانہ کام کرنے والائی ڈائریکٹر
- "ہم کمپنی کے حصہ داران کام کرنے والے فی ڈائریکٹر کو مبلغ دولاکھ روپے ماہانہ تنخواہ دینے کی اجازت دیتے ہیں"
- اوپر بیان شدہ مخصوص کاروبار میں کسی بھی ڈائریکٹر کا مفاد نہیں ہے۔

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ سردار کیمیکل انڈسٹریز لمیٹڈ کا 29 واں سالانہ اجلاس عام اس کی فیکٹری اور رجسٹرڈ آفس پلاٹ نمبر B-149، گدون اماڑی انڈسٹریل اسٹیٹ، ٹوپی ضلع صوابی، خیبر پختونخواہ میں 27 اکتوبر 2018 بروز ہفتہ 3:30 بجے مندرجہ ذیل کاروبار کی انجام دہی کے لئے منعقد ہوگا۔
عمومی کاروبار:

- ۱۔ پچھلے اجلاس عام منعقدہ 31 اکتوبر 2017 کی کاروائی کی توثیق۔
 - ۲۔ 30 جون 2018 کو ختم شدہ سال کے لئے آڈٹ شدہ حسابات اور اس کے ساتھ ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، ان پر غور اور ان کی منظوری۔
 - ۳۔ حصہ داران سے منافع کی تقسیم کی اجازت لینا جو کہ ڈائریکٹران نے 7.5 فیصد اور (0.75) فی حصہ بطور فائل کیش منافع برائے سال ختمہ 30 جون 2018۔
 - ۴۔ اگلے سال 30 جون 2019 کے لئے کمپنی کے آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین کرنا۔
- مخصوص کاروبار:

- ۱۔ ڈائریکٹروں کی تنخواہوں میں اضافہ کی اجازت۔ دو لاکھ روپے ماہانہ کام کرنے والی ڈائریکٹر کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے مطابق مخصوص کاروبار کی تفصیل سالانہ میٹنگ کے نوٹس کے ساتھ حصہ داران کو بھیجوا رہے ہیں۔
- دیگر امور:

صاحب صدر کی اجازت سے کسی بھی دیگر امور پر کاروائی کرنا۔

بورڈ کی اجازت سے کمپنی سیکرٹری

مورخہ 3 اکتوبر 2018

لاہور

نوٹس:

- ۱۔ کمپنی کی شیئر ٹرانسفر بکس 21 اکتوبر تا 27 اکتوبر 2018 (بشمول دونوں دن) بند رہیں گی۔
- ۲۔ انفرادی ممبران سے گزارش ہے کہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل ہمارے شیئر رجسٹرار کے پاس جلد از جلد جمع کروادیں۔
- ۳۔ 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۔
- ۴۔ میٹنگ میں شرکت کا مجاز ممبر کسی دوسرے شخص کو اپنا پراکسی مقرر کر سکتا ہے۔
- ۵۔ بذریعہ پراکسی میٹنگ میں شرکت کے مجاز کاغذات باقاعدہ تصدیق شدہ کمپنی کے دفتر میں کم از کم 45 گھنٹے میٹنگ ٹائم سے پہلے جمع کرانے ضروری ہیں۔
- ۶۔ جو ممبران CDC کے ممبر ہیں وہ SECP کی ہدایات کے مطابق عمل کریں۔
- ۷۔ SECP کے نوٹیفیکیشن نمبر 2014(1) 634 مورخہ 10 جولائی 2014 کمپنی کے حسابات 30 جون 2018 کو ختم شدہ سال کی سالانہ رپورٹ کمپنی کی ویب سائٹ www.sardarchem.net پر بھی ملاحظہ کی جاسکتی ہے۔

بیلنس شیٹ کے بعد حالات:

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

پروائیڈنٹ فنڈ:

30 جون 2018 کو پروائیڈنٹ فنڈ میں مبلغ -/30,304,383 روپے تھے۔

آڈیٹرز:

موجودہ آڈیٹرز میسرز اسلم ملک اینڈ کمپنی کو اہلیت کی بنیاد پر آڈٹ کمیٹی نے ان کو دوبارہ اگلے سال کے لئے کمپنی کا آڈیٹر مقرر کرنے کی سفارش کی ہے۔

پروڈکشن:

ہماری پروڈکشن ہمارے معزز گاہکوں کی ضروریات کے مطابق بڑھتی اور کم ہوتی رہتی ہے۔

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 فلو 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 فنانشل رپورٹنگ کے معیار 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۔
- ☆ انتظام اور مالیات سے متعلق گزشتہ چھ سال کی اہم معلومات صفحہ نمبر پر درج کی گئی ہے۔

تشکر:

بورڈ آف ڈائریکٹرز کمپنی کے تمام ملازمین کا شکر گزار ہے کہ ان کی انتھک محنت اور لگن کی وجہ سے کمپنی بہتر طریقے سے چل رہی ہے۔



سردار محمود صادق

چیف ایگزیکٹو

مورخہ 13 اکتوبر 2018

لاہور

ڈائریکٹرز رپورٹ برائے سال ختم شدہ 30 جون 2018

ڈائریکٹرز اپنی رپورٹ برائے سال ختم شدہ 30 جون 2018 بشمول کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔
مالیاتی نتائج کا مختصر جائزہ:

2018	2017	
(ہزاروں میں)		
204,826	190,662	بکری صافی
52,861	38,721	ناخالص منافع
15,189	6,769	خالص منافع ٹیکس کے بغیر
10,562	3,955	خالص منافع ٹیکس کے بعد
1.76	0.66	فی حصہ کمائی

امسال ہماری بکری پچھلے سال کی نسبت 7.43% زیادہ رہی۔ ہمارے رنگ ایکسپورٹ کرنے والی انڈسٹریز استعمال کرتی ہیں۔ چونکہ ہمارے ملک کی ایکسپورٹ کم ہو گئی ہیں ورنہ ہمارے رنگوں کی بکری بہت بڑھ سکتی تھی۔ ہم نے اپنی بکری پر ڈسکاؤنٹ بھی بڑھا دیا ہے تاکہ بکری کو بڑھایا جاسکے۔
مستقبل کا امکان:

مارکیٹ میں ہمیں بہت سے چھوٹے چھوٹے رنگ بنانے والے اور کمرشل امپورٹرز سے واسطہ ہے لیکن ہم مارکیٹ میں اپنے نام اور معیار اور وقت پر سپلائی کی وجہ سے انشاء اللہ کامیاب ہیں اور رہیں گے۔

ڈیویڈنڈ:

کمپنی کے ڈائریکٹروں نے کمپنی کے حصہ داران کو 7.5 فیصد ڈیویڈنڈ فیصلہ کیا ہے چونکہ امریکی ڈالر کی قیمت پاکستانی روپے کے مقابلے میں مسلسل بڑھ رہی ہے جس کی وجہ سے کمپنی نے فیصلہ کیا ہے کہ کمپنی کے سرمائے کو محفوظ رکھا جائے تاکہ آنے والے مہنگائی کے حالات سے بہتر طریقہ سے نبھا جاسکے اور مارکیٹ کے حالات اچھے ہوتے ہی کاروبار کو وسعت دی جاسکے۔

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۔

ڈائریکٹرز ٹریننگ پروگرام:

ہمارے تمام ڈائریکٹرز تعلیم اور تجربہ کی بنیاد پر ٹریننگ سے مستثنیٰ ہیں، سوائے ایک کے جو کہ اعلیٰ تعلیم یافتہ اور متعلقہ علوم میں مہارت رکھتے ہیں۔

ٹرانسفر پرائسنگ:

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

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

.....

Member(s) of SARDAR CHEMICAL INDUSTRIES LIMITED. Hereby appoint
 of as a proxy to vote on
 my/our behalf at the 29th Annual General Meeting of the Company to be held on 27th October, 2018
 and at any adjournment thereof.

Date

Signatures

Annual Report

2018

