

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

Name of company: Sardar Chemical Industries Limited

Year ending: June 30, 2022

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

1. The total number of directors areas 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. Mrs. Reema Ayaz
Executive Director	1. Sardar Mahmood Sadiq (Chief Executive) 2. Mr. Niaz Ahmed Chughtai
Female Director	3. Mrs. Tayybah Mahmood Sadiq
NIT Nominee	1. Mr. Shahid Aziz

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
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. 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.
10. CFO and CEO duly endorsed the financial statements before approval of the board.
11. The board has formed committees comprising of members given below:

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

The Company was in compliance with the Code of Corporate Governance, 2012 for the year ended June 30, 2022. Further, during the year, the committees of the Board of Directors have been reconstituted to comply with the requirements of the 2019 Code.

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


13. The frequency of meetings of the committee were as per following:
14.

Committees	Frequency
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2022
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2022

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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
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 requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below.

Dated: October 7, 2022.
Place: Gadoon Amazai


SARDAR MAHMOOD SADIQ
Chief Executive


FAYYAZ AHMED KHAN
Director



INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Sardar Chemical Industries

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Sardar Chemicals Industries Limited** for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

The engagement partner on the review resulting in this independent auditors' review report is Hafiz Muhammad Ahmad Saleem.

Aslam Malik

Chartered Accountants

Place: Lahore

Date: October 07, 2022

UDIN: CR202210148Fb0LnuDc9

