

SALT MANUFACTURERS ASSOCIATION OF PAKISTAN
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025



Zain Suhail & Co.

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INDEPENDENT AUDITOR'S REPORT TO THE CHAIRMAN AND MEMBERS OF SALT MANUFACTURERS ASSOCIATION OF PAKISTAN

Opinion

We have audited the annexed financial statements of **SALT MANUFACTURERS ASSOCIATION OF PAKISTAN**, which comprise the statement of financial position as at June 30, 2025, the statement of income and expenditure, the statement of cash flows, statement of changes in fund 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 our audit.

In our opinion and to the best our information and according to the explanations given to us statement of financial position as at June 30, 2025, the statement of income and expenditure, statement of cash flows and statement of changes in fund, confirms 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, 2025 and of the **Deficit**, the changes in Fund and its cash flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further disclosed in Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are Independent of the entity 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.

Responsibilities of Management 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 for small sized entities and for such internal control as the 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 entity's ability to continue as going concern basis of accounting unless management either intends to liquidate the Entity or cease operations, or has no realistic alternative but to do so.





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The management is responsible for overseeing the entity'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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable level of assurance is a high level of assurance, but is not guaranteed 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 decision 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:

1. Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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 firm's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw our 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 firm to cease to continue as a going concern.
5. 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 presentations.

We communicate with those charged with governance i.e., the chairmen and the members





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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.

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 Association required by the Companies Act, 2017 (XIX of 2017);
- b) the Balance Sheet, statement of income & expenditures, the Statement of receipts & payments together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) in our opinion, no Zakat was deductible at source under Zakat and Ushr Ordinance, 1980.

Other Matter

The Financial Statements of the Salt Manufacturer Association of Pakistan for the year ended June 30, 2024, were audited by another firm of chartered accountants, who expressed an unqualified opinion thereon in their report dated September 28, 2024.

The Engagement Partner on the audit resulting in this Independent Auditor's report is **Zain -Ul- Abideen**.


Zain Suhail & Co.
Chartered Accountants

Place: Karachi

Dated: September 16, 2025



SALT MANUFACTURERS ASSOCIATION OF PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-Current Assets			
Property and Equipment	6	473,299	676,142
		<u>473,299</u>	<u>676,142</u>
Current Assets			
Advances, deposits and prepayments	7	170,000	364,053
Cash and bank balances	8	569,930	2,900,566
		739,930	3,264,619
		<u>1,213,229</u>	<u>3,940,761</u>
FUNDS AND LIABILITIES			
Accumulated funds		<u>1,213,229</u>	<u>3,940,761</u>
Contingencies and commitments	9	-	-
		<u>1,213,229</u>	<u>3,940,761</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

Saim Akhtar
CHAIRMAN

[Signature]
VICE CHAIRMAN

SALT MANUFACTURERS ASSOCIATION OF PAKISTAN
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
INCOME			
Subscription fees		1,702,000	4,907,460
Donations		35,443	-
SMAP event sponsorship		2,034,138	-
Others			4,000
		3,771,581	4,911,460
EXPENDITURE			
Salaries, wages and other benefits		1,383,775	1,078,730
Electricity		519,373	291,794
Rent expense		1,357,620	1,283,245
Event expense		2,029,226	-
Conveyance and travelling		114,800	-
Office supplies		117,843	43,524
Repairs and maintenance		132,386	117,637
Courier charges		17,816	106,569
Legal and professional charges		20,000	220,000
IT expenses		4,000	50,218
FPCCI subscription		50,000	40,000
Printing and stationary		202,000	56,640
Depreciation		202,843	289,775
Miscellaneous expenses		343,515	41,940
Financial expenses		3,917	2,034
		6,499,113	3,622,106
(Deficit) for the year before taxation		(2,727,532)	1,289,354
Tax expense		-	-
Net (deficit)/ surplus for the year after taxation		(2,727,532)	1,289,354

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHAIRMAN


VICE CHAIRMAN

SALT MANUFACTURERS ASSOCIATION OF PAKISTAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit) / surplus before taxation	(2,727,532)	1,289,354
Non cash adjustments		
Depreciation	202,843	289,775
Financial charges	3,917	2,034
	<u>(2,520,773)</u>	<u>1,581,163</u>
Changes in working capital:-		
Increase / decrease in current assets	194,053	-
Financial charges paid	(3,917)	(2,034)
Net cash generated in operating activities	(2,330,637)	1,579,129
CASH FLOW FROM OPERATING ACTIVITEIS	(2,330,637)	1,579,129
Net (Decrease) / Increase in Cash And Cash Equivalents	(2,330,637)	1,579,129
Cash and cash equivalent at the beginning of the year	2,900,566	1,321,437
Cash and cash equivalent at the end of the year	<u><u>569,930</u></u>	<u><u>2,900,566</u></u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


CHAIRMAN


VICE CHAIRMAN

SALT MANUFACTURERS ASSOCIATION OF PAKISTAN
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025

	General Reserves	Accumulated Funds	Total
Balance as at July 01, 2023	-	2,651,407	2,651,407
Net surplus for the year ended 2024	-	1,289,354	1,289,354
Other comprehensive income	-	-	-
Balance as at June 30, 2024	-	3,940,761	3,940,761
Net deficit for the year ended 2025	-	(2,727,532)	(2,727,532)
Other comprehensive income	-	-	-
Balance as at June 30, 2025	-	1,213,229	1,213,229


CHAIRMAN


VICE CHAIRMAN

SALT MANUFACTURERS ASSOCIATION OF PAKISTAN

Notes To The Financial Statements

FOR THE YEAR ENDED JUNE 30, 2025

1. NATURE OF THE OPERATIONS

M/s Salt Manufacturers Association of Pakistan was incorporated on 29-April-2022 under section 42 of Companies Act 2017. The main objective is to develop and growth of the salt industry in Pakistan and to protect their interest. The registered address of the company is situated at Office No 401, Building 34-C, Lane 12, Bukhari Commercial Area, D.H.A Phase 6, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan, which comprise of Accounting and Financial Reporting Standard for Small Sized Entities (SSEs) issued by the Institute of Chartered Accountants Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for short term investments which are carried at amortized cost.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Association's functional and presentation currency. All the financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates, and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates and assumptions with a significant risk of material adjustment in the future periods are as follows:

Useful lives and residual values of property and equipment

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

Operating assets are stated at cost less accumulated depreciation and impairment, if any, except leasehold land which is stated at cost. Depreciation is charged on the reducing balance method at the rates specified in notes. Depreciation on additions is charged when the asset is available for use until the asset is disposed off.

The assets' residual values, useful lives, and method are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives, and method is recognized prospectively as a change in accounting estimate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income and expenditure account in the year the asset is derecognized.

Maintenance and normal repairs are charged to the statement of income and expenditure account as and when incurred. Major renewals and improvements are capitalized, and the assets so replaced, if any, are retired.

3.2 Impairment of Trade Receivables

Trade receivables are stated at their original invoice amount less any provision for impairment. At each reporting date, management reviews the outstanding receivables to assess whether there is objective evidence that the amounts may not be recoverable.

Impairment is recognized where there is an indication that the receivable is unlikely to be collected in full. The impairment loss is recorded in the income and expenditure account and the carrying amount of the receivables is reduced accordingly.

If, in a subsequent period, the circumstances leading to the impairment improve and the amount is recovered, the previously recognized impairment loss is reversed through the income and expenditure account.

3.3 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and at banks.

3.4 Accrued and other liabilities

Accrued and other liabilities are stated at cost, which is the fair value of the consideration to be paid in the future for services received by the company.

3.5 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices, and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision are recognized in the statement of profit or loss unless the provision was originally recognized as part of the cost of an asset.

4. Revenue recognition

Income from all fees collection is recognized on a receipt basis, except for rental and interest income, which are accounted for on an accrual basis (if any).

5. Taxation.

Under Section 100C of the Income Tax Ordinance, 2001 (the Ordinance'), the company, subject to fulfillment of certain specified conditions, is entitled to a tax credit equal to 100% of the tax payable, including minimum and final taxes payable under any of the provisions of the Ordinance. Hence, in view of the above, no provision for taxation is recognized in the financial statements.

6. Property Plant & Equipment

Particulars	Cost			Rate	Accumulated			WDV
	As at	Additions	As at		As at	For the	As at	value as at
	1-Jul-24	Deletion	30-Jun-25		1-Jul-24	year	30-Jun-25	30-Jun-25
Furniture Fixture & fittings	1,971,258	-	1,971,258	30%	1,295,116	202,843	1,497,959	473,299
Total 2025	1,971,258	-	1,971,258		1,295,116	202,843	1,497,959	473,299
Total 2024	1,971,258	-	1,971,258		1,005,341	289,775	1,295,116	676,142

7. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

security deposit against rent
Undeposited funds

2025 Rupees	2024 Rupees
170,000	170,000
-	194,053
170,000	364,053

8. CASH AND BANK BALANCES

Cash in hand
Balance with banks

-	-
569,930	2,900,566
<u>569,930</u>	<u>2,900,566</u>

9. CONTINGENCY AND COMMITMENTS

There are no contingency and commitments of the association as of reporting date.

10. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2025	2024
The total number of employees as at 30 June	<u>2</u>	<u>4</u>
Average number of employees during the year	<u>3</u>	<u>5</u>

11. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial instruments by category

Financial assets

At fair value:

Advance, deposits and prepayments

Cash and bank balances

170,000	364,053
569,930	2,900,566
<u>739,930</u>	<u>3,264,619</u>

Financial Liabilities

At amortised cost

-	-
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12. GENERAL

12.1 The amounts presented in these financial statements have been rounded to the nearest Rupee.

13. DATE OF AUTHORISATION

These financial statements were authorized for issue on 30th September 2025 in the meeting of the Managing Committee.



CHAIRMAN


VICE CHAIRMAN