



SARDAR CHEMICAL INDUSTRIES LIMITED

*Third Quarter Accounts*  
(Un-Audited)  
*March*

**2017**



**Sardar**  
**Chemical Industries Limited**



ISO 9002 CERTIFIED



SARDAR CHEMICAL INDUSTRIES LIMITED

**BOOK POST**



**Sardar**  
**Chemical Industries Ltd.**

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To:

**Head Office:**

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

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

Fax: (92-42) 35775706

Email: sarchem@brain.net.pk

Website: sardarchem.net



**Factory:**

Plot # 29-B, Road No .01,  
Gadoon Amazai, Industrial Estate,  
Topi Ganduf Road, Swabi,  
Khyber Pakhtunkhwa.

Tel:(0938) 270439, 270539, 270792

Fax: 92-938-270791

**COMPANY INFORMATION**

CHIEF EXECUTIVE	Sardar Mahmood Sadiq
DIRECTORS	Mr. Shahid Aziz (NIT Nominee) Sardar Ayaz Sadiq Mr. Fayaz Ahmed Khan Mr. Iftikhar Ahmed Khan Mrs. Mona Mahmood Mrs. Reema Ayaz
Audit Committee	Mr. Fayyaz Ahmed Khan Mrs. Mona Mahmood Mrs. Reema Ayaz
COMPANY SECRETARY	Mr. Niaz Ahmed Chughtai
AUDITORS	Aslam Malik & Co., Chartered Accountants
HR & REMUNERATION	Mrs. Moona Mehmood Mr. Iftikhar Ahmed Khan Mrs. Reema Ayaz
BANKERS	Allied Bank of Pakistan Ltd. Askari Commercial Bank Ltd.
LEGAL ADVISORS	Mr. Javaid Iqbal Malik, Advocate
HEAD OFFICE/SHARE DEPARTMENT	2-A, 2 <sup>nd</sup> Floor, Canal Bank Road, Justice Sardar Iqbal Road, Aziz Avenue, Gulberg, Lahore. Ph: (92-42) 35711154, 35710148, 35753402 Fax: (92-42) 35775706 E-Mail : sarchem@brain.net.pk Web Site: www.sardarchem.net
REGISTERED OFFICE/ FACTORY	Plot. NO. 29-B, Road No. O1 Gadoon Amazai, industrial Estate, Topi, Ganduf Road, Swabi (NWFP) Ph: (0938) 270792, 270439, 270539 Fax: (0938) 270791
REGISTRAR/TRANSFERAGENT	CorpLink (PVT)Ltd,WingsArcade,1-K,Commercial, Model Town, Lahore. Ph:042-35839182,35887262 Fax:042-35869037

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

The Directors of SARDAR CHEMICAL INDUSTRIES LIMITED are pleased to present their report along with financial statements (un-audited) of the Company for the third quarter ended on March 31, 2017.

**FINANCIAL RESULTS FOR THE QUARTER ARE SUMMERIZED AS UNDER:**

	<u>2016</u>	<u>2017</u>
	(Rupees in thousands)	
Sales-Net	50,353	52,869
Cost & Expenditures	49,552	51,723
Profit/(Loss) before Taxation	801	1,146
Profit/(Loss) after Taxation	537	779

There was noted an increase of about 5% as compared to the last quarter ended on 31-03-2016 in the net Sales of the Company and accordingly the profit was increased. This was achieved by better marketing strategy and control over expenses. This increase in net Sales is seems to be a nominal but it is hope full for your company that there is increasing trend in the sales. This increase was contributed by the Leather along with major share of Textile dyes also because the summer season is going to start. This increase may be increased much more but could not be achieved due to the deteriorating geopolitical environment with the neibours, however the government is hope full for the good.

Our dyes are mainly for export oriented industries of the country and the exports of the country in the field of Leather and Textile remained under pressure during this quarter due to recession in the world. The traders have reduced business activities in the market. These elements increased the cost of production and due to this our products could not compete in the international market according to our expectations.

**FUTURE PROSPECTS:**

The management of the Company is very much optimistic about the future of the Sales of the Company's products as the Government is seems very seriously working on energy crises which provide hope to the industrial sector of the country for better future.

The Company will continue to focus on quality products meeting with the international standards and remedial measure will be taken to put the company on the path of profitability with consistency in production and supply to our valued customers.

For and on behalf of the Board

Lahore  
April 30, 2017

Sardar Mahmood Sadiq  
Chief Executive



## INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)

شروع اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔  
سردار کیمیکل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں 31 مارچ  
2017 کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہا ہوں۔  
سہ ماہی اکاؤنٹس کا خلاصہ درج ذیل ہے۔

2017	2016	
	(رقم ہزاروں میں)	
52,869	50,353	کل بیلز
51,723	49,552	اخراجات
1,146	801	نفع / نقصان ٹیکس سے پہلے
779	537	نفع / نقصان ٹیکس کے بعد

موجودہ مالی سال کی آخری سہ ماہی کے دوران الحمد للہ آپ کی کمپنی کی مصنوعات کی خرید و فروخت میں  
تقریباً 5% اضافہ نوٹ کیا گیا ہے۔ جس کے اثرات منافع پر بھی نظر آرہے ہیں۔ یہ سب کچھ بہتر  
مارکیٹنگ اور اخراجات پر کنٹرول سے ممکن ہے۔  
مستقبل پر نظر:

اللہ رب العالمین کے فضل و کرم کے سبب آپ کی کمپنی مستقبل کے بارے میں پُر امید ہے کیونکہ  
حکومت انرجی سیکٹر پر بڑی سنجیدگی سے کام کر رہی ہے اس کے ساتھ ساتھ آپریشن ردالفساد سے ملک  
میں کاروباری سرگرمیاں بہتر ہوں گی جس میں سے آپ کی کمپنی بھی حصہ نکالے گی۔  
اعترافات:

ہم اس موقع پر اپنے محترم کاروباری شراکت داروں کی مستقل حوصلہ افزائی، مدد اور اعتماد کا شکریہ ادا  
کرتے ہیں۔ کمپنی اپنے ملازمین کی مستقل مزاجی، محنت، لگن اور صلاحیتوں کی معترف اور فخر کرتی  
ہے۔

سردار محمود صادق  
چیف ایگزیکٹو

(Un-audited)  
March 31, 2017  
Rupees

(Audited)  
June 30, 2016  
Rupees

## CAPITAL AND LIABILITIES

## SHARE CAPITAL AND RESERVES

## Authorised:

10,000,000 (2016:10,000,000) Ordinary  
Shares of Rs. 10/- each.

100,000,000

100,000,000

## Issued, Subscribed and Paid-up:

6,000,000 (2016: 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

Un-appropriated Profit / (loss)

26,119,734

24,394,035

116,119,734

114,394,035

## NON-CURRENT LIABILITIES

OBLIGATION UNDER FINANCE LEASE

3,406,406

5,228,862

DEFERRED TAXATION

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## CURRENT LIABILITIES

Current maturity of long term obligation

2,542,525

2,756,730

Short term finance

11,090,380

24,909,997

Creditors, accrued and other liabilities

11,124,061

9,742,249

Markup Accrued

56,489

512,118

24,813,455

37,921,094

144,339,595

157,543,991

The annexed notes form an integral part of these financial statements.

Chief Executive



**SARDAR CHEMICAL INDUSTRIES LIMITED**

**AS AT MARCH 31, 2017**

(Un-audited)

(Audited)

March 31, 2017  
Rupees

June 30, 2016  
Rupees

**ASSETS**

**NON-CURRENT ASSETS**

Property: Plant and Equipment **20,250,719** 21,659,493

**LONG TERM DEPOSITS** **2,624,300** 2,624,300

**CURRENT ASSETS**

Stores, spares & loose tools	<b>757,353</b>	711,021
Stock in trade	<b>15,819,688</b>	21,977,129
Trade debts	<b>71,890,853</b>	66,539,890
Advances, deposits, prepayments & other receivables	<b>1,052,231</b>	698,261
Taxation-net	<b>20,879,641</b>	32,332,157
Cash & bank balances	<b>11,064,810</b>	13,599,260
	<b>121,464,576</b>	133,260,198

**144,339,595**

**157,543,991**

Director



**SARDAR CHEMICAL INDUSTRIES LIMITED**

**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT  
FOR THE THIRD QUARTER ENDED MARCH 31, 2017**

(UN-AUDITED)

9 Months Ended

Quarter Ended

	31 Mar. 2017 Rupees	31 Mar. 2016 Rupees	31 Mar. 2017 Rupees	31 Mar. 2016 Rupees
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<b>Sales</b>	<b>140,516,749</b>	142,913,817	<b>52,869,429</b>	50,353,397
<b>Cost of Sales</b>	<b>(112,452,416)</b>	(117,080,939)	<b>(43,253,870)</b>	(41,294,400)
<b>Gross Profit</b>	<b>28,064,333</b>	25,832,878	<b>9,615,559</b>	9,058,997

**OPERATING EXPENSES**

<b>Administrative</b>	<b>(15,540,810)</b>	(14,289,882)	<b>(5,296,406)</b>	(5,080,168)
<b>Selling and distribution</b>	<b>(8,129,856)</b>	(7,360,080)	<b>(2,717,497)</b>	(2,680,024)

	<b>(23,670,666)</b>	(21,649,962)	<b>(8,013,903)</b>	(7,760,192)
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<b>Operating Profit/(Loss) For</b>	<b>4,393,667</b>	4,182,916	<b>1,601,656</b>	1,298,805
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**The period**

<b>Other Operating Income</b>	--	835,402	--	--
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<b>Other Operating Expenses</b>	<b>(32,713)</b>	(40,247)	--	--
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<b>Finance Cost</b>	<b>(1,823,162)</b>	(2,390,893)	<b>(455,337)</b>	(497,429)
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<b>Profit/ (Loss) before taxation</b>	<b>2,537,792</b>	2,587,178	<b>1,146,319</b>	801,376
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<b>Taxation</b>	<b>(812,093)</b>	(853,769)	<b>(366,822)</b>	(264,454)
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<b>Profit/ (loss)for the period</b>	<b>1,725,699</b>	<b>1,733,409</b>	<b>779,497</b>	536,922
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<b>Earning/(loss) per share</b>	<b>0.29</b>	0.29	<b>0.13</b>	0.09
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Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED MARCH 31, 2017**

(UN-AUDITED)

	<u>9 Months Ended</u>		<u>Quarter Ended</u>	
	<u>31 Mar. 2017</u>	<u>31 Mar. 2016</u>	<u>31 Mar. 2017</u>	<u>31 Mar. 2016</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
<b>Profit/(Loss) after Taxation</b>	1,725,699	1,733,409	779,497	536,922
<b>Other Comprehensive Profit/(Loss)</b>	--	--	--	--
<b>Total Comprehensive Profit/(Loss) for the Period</b>	<u>1,725,699</u>	<u>1,733,409</u>	<u>779,497</u>	<u>536,922</u>

The annexed notes form an integral part of these financial statements.

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CASH FLOW (UN-AUDITED)  
AS AT MARCH 31, 2017**

	<u>MARCH 30,2017 Rupees</u>	<u>MARCH 30,2016 Rupees</u>
<b>cash flow from operating activities</b>		
Profit/(Loss) before taxation	2,537,792	2,587,178
<b>Adjustment of non-Cash items.</b>		
Depreciation.	2,278,023	2,402,020
Financial Charges	1,823,162	2,390,893
Profit on sale of fixed assets	(800,986)	(800,986)
	<u>4,101,185</u>	<u>3,991,927</u>
Profit before working capital changes	6,638,977	6,579,105
<b>Effect of working capital changes</b>		
(Increase) /Decrease in store, spare and loose tools	(46,332)	118,600
(Increase) /Decrease in stock in trade	6,157,441	10,360,845
(Increase) /Decrease in trade debts	(5,350,963)	3,670,424
	(353,970)	51,729
(Increase)/Decrease in advances, deposit and Prepayments	(353,970)	51,729
Increase/(Decrease) in creditors accrued and other Liabilities	1,376,810	(447,038)
	<u>1,782,986</u>	<u>13,754,580</u>
Financial charges paid	(2,278,791)	(3,132,079)
Tax paid	10,645,426	(3,760,483)
	<u>8,366,635</u>	<u>(6,892,562)</u>
<b>Net cash used in operating activities</b>	<b>A</b> <u>16,788,598</u>	13,441,103
<b>Cash flow from investing activities:</b>		
Fixed Capital expenditure	(869,250)	--
Long term deposits	--	(883,600)
Sale proceeds of assets disposed off	--	1,250,000
<b>Net Cash generated from investing activities</b>	<b>B</b> <u>(869,250)</u>	366,400
<b>Cash flow from financing activities</b>		
(Repayment) / proceeds of lease obligation	(2,036,660)	(1,521,943)
(Repayment) / proceeds of short term finances	(13,819,617)	(5,051,819)
<b>Net cash generated from financing activities</b>	<b>C</b> <u>(15,856,277)</u>	(6,573,762)
<b>Net increase/ (Decrease) in cash and cash Equivalents</b>	<b>A+B+C</b> <u>63,071</u>	7,233,741
<b>Cash and cash Equivalents at beginning of the period</b>	11,001,739	6,546,020
<b>Cash and cash Equivalents at end of the period</b>	<u>11,064,810</u>	<u>13,779,761</u>

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
AS AT 31 MARCH 2017**

	Share Capital	Share Premium	Un-appropriated Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 <sup>th</sup> June 2015	60,000,000	30,000,000	20,624,563	110,624,563
Profit/(Loss) for the period ended				
30 June 2016	--	--	<u>3,769,472</u>	<u>3,769,472</u>
Balance at				
33 June, 2016	60,000,000	30,000,000	24,394,035	114,394,035
Profit/(Loss) for the period ended				
31 Dec 2016	--	--	<u>946,202</u>	<u>946,202</u>
Balance at				
31 Dec 2016	60,000,000	30,000,000	25,340,237	115,340,237
Profit/(Loss) for the period ended				
31 Mar. 2017	--	--	<u>779,497</u>	<u>779,497</u>
Balance at				
31 Mar. 2017	<b>60,000,000</b>	<b>30,000,000</b>	<b>26,119,734</b>	<b>116,119,734</b>

Chief Executive

Director



**SARDAR CHEMICAL INDUSTRIES LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED MARCH 31, 2017 (Unaudited)**

**1. THE COMPANY AND ITS OPERATIONS**

Sardar Chemical Industries Limited (the Company) was incorporated in Pakistan on October 3, 1989 as a Private Limited Company under the Companies 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 manufacture and sale of dyestuffs, chemicals for the leather, textile and paper industries. The Company is listed on Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited).

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

This condensed interim financial report of the Company for the Third Quarter ended 31 March 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 – 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial report is unaudited and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

**2.2 Basis of measurement**

This condensed interim financial information have been prepared under the historical cost convention except for staff retirement benefits that is determined under actuarial valuation annually and lease hold improvements and plant and machinery that are stated at revalued amount in accordance with the criteria laid down under International Accounting Standard (IAS) 16 'Property, Plant and Equipment'. This condensed interim financial information, except for cash flow information, has been prepared under the accrual basis of accounting.

**2.3 Functional and presentation currency**

This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

**3. ACCOUNTING POLICIES**

The accounting policies and method of computation adopted in preparation of this condensed interim financial information are the same as those applied in preparation of the annual financial statements of the Company for the year ended 30 June 2016.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Judgments and estimates made by the management in preparation of this condensed interim financial information are the same as those applied to the annual financial statements for the year ended 30 June 2016.

**5. DATE OF AUTHORIZATION**

This condensed interim financial information was approved by the Board of Directors and for issue on 30<sup>th</sup> April, 2017

**6. GENERAL**

Certain prior figures have been reclassified for the purpose of comparison. There were no major reclassification to report.

Figures have been rounded off to the nearest Rupee.

Chief Executive

Director