



SARDAR CHEMICAL INDUSTRIES LIMITED



**Third Quarter Accounts**  
(Un-Audited)  
**March**  
**2018**

**Sardar**

**Chemical Industries Limited**



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. Aitzaz Ahmad Tarar Mrs. Mona Mahmood Mrs. Reema Ayaz
Audit Committee	Mr. Aitzaz Ahmad Tarar Mrs. Mona Mahmood Mrs. Reema Ayaz
COMPANY SECRETARY	Mr. Niaz Ahmed Chughtai
AUDITORS	Aslam Malik & Co., Chartered Accountants
HR & REMUNERATION	Mrs. Moona Mehmood Mr. Aitzaz Ahmad Tarar 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: 042-35916714, 35916719 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, 2018.

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

	<u>2017</u>	<u>2018</u>
	(Rupees in thousands)	
Sales-Net	52,869	57,446
Cost & Expenditures	51,723	56,704
Profit/(Loss) before Taxation	1,146	742
Profit/(Loss) after Taxation	779	585

There was noted an increase of about 8.66% as compared to the last quarter of previous year ended on 31-03-2017 in the net Sales of the Company. This was achieved by better marketing strategy and control over expenses. The customer also make more purchases upon rumors of increase in price US dollar. This increase in sales was contributed by the Leather sector along with major share of Textile dyes also because the summer season is going to start. This increase could be more but was not be achieved due to the deteriorating political situation of the country, however the government is hope full for better political situation in future.

As 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. 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 as per 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 27, 2018

Sardar Mahmood Sadiq

Chief Executive



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 2018 کو ختم  
ہونے والی سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔  
سہ ماہی اکاؤنٹس کا خلاصہ درج ذیل ہے۔

	2017	2018
	(رقم ہزاروں میں)	
کل بیلز	52,869	57,446
اخراجات	51,723	56,704
نفع / نقصان ٹیکس سے پہلے	1,146	742
نفع / نقصان ٹیکس کے بعد	779	585

موجودہ مالی سال کی آخری سہ ماہی کے دوران الحمد للہ آپ کی کمپنی کی مصنوعات کی فروخت میں تقریباً  
%8.66 اضافہ بمقابلہ آخری سہ ماہی 2017 نوٹ کیا گیا ہے۔ یہ اضافہ بہتر منصوبہ بندی سے حاصل ہوا ہے۔  
دیگر ہمارے کسٹمرز نے ڈالر کے بڑھتے ہوئے رجحان کے پیش نظر زیادہ خریداری کی۔ یہ اضافہ لیڈر اور ٹیکسٹائل کی  
پراڈکٹ کی وجہ سے ہوا کیونکہ گرمیوں کا سیزن شروع ہونے والا ہے۔

ہماری تیار کردہ مصنوعات زیادہ تر برآمد کنندگان انڈسٹری استعمال کرتی ہے۔ جس کی وجہ سے ہم اپنی مصنوعات  
کے معیار کو برقرار رکھتے ہیں۔ چونکہ ملک کی برآمدات میں کمی آئی ہے اس وجہ سے ہماری توقعات کے برعکس سیل کم  
ہوئی ہے۔ ہمیں اُمید ہے گورنمنٹ کے مثبت اقدامات کی وجہ سے آئندہ آنے والے دنوں میں ہماری بیلز زیادہ  
ہوں گی۔

### مستقبل کے امکانات:

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

### اعترافات:

ہم اس موقع پر اپنے محترم کاروباری شرکاء اور داروں کی مستقل حوصلہ افزائی، مدد اور اعتماد کے مشکور ہیں۔ کمپنی اپنے  
ملازمین کی مستقل مزاجی، محنت، لگن اور صلاحیتوں کی معترف اور فخر کرتی ہے۔

سردار محمود صدیقی  
چیف ایگزیکٹو

لاہور۔ 27 اپریل 2018



## INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)

	(Un-audited) March 31, 2018 Rupees	(Audited) June 30, 2017 Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorised:</b>		
10,000,000 (2017: 10,000,000) Ordinary Shares of Rs. 10/- each.	100,000,000	100,000,000
<b>Issued, Subscribed and Paid-up:</b>		
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
Un-appropriated Profit / (loss)	32,020,471	26,849,259
	122,020,471	116,849,259
<b>NON-CURRENT LIABILITIES</b>		
OBLIGATION UNDER FINANCE LEASE	2,624,300	1,334,286
<b>DEFERRED TAXATION</b>		
	184,837	184,837
<b>CURRENT LIABILITIES</b>		
Current maturity of long term obligation	777,641	3,890,112
Short term finance	9,236,847	9,427,033
Creditors, accrued and other liabilities	18,746,356	7,663,274
Markup Accrued	252,422	184,553
	29,013,266	21,164,972
	153,842,874	139,533,354

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

Chief Executive



SARDAR CHEMICAL INDUSTRIES LIMITED

AS AT MARCH 31, 2018

(Un-audited)

(Audited)

March 31, 2018  
Rupees

June 30, 2017  
Rupees

ASSETS

NON-CURRENT ASSETS

Property: Plant and Equipment 17,487,200 19,476,138

LONG TERM DEPOSITS 883,600 883,600

CURRENT ASSETS

Stores, spares & loose tools	249,922	775,228
Stock in trade	7,129,140	12,458,320
Trade debts	87,150,771	6,8158,713
Current maturity of long term deposits	1,740,700	1,740,700
Advances, deposits, prepayments & other receivables	1,385,390	992,873
Taxation-net	23,060,510	21,149,744
Cash & bank balances	14,755,641	13,898,039
	135,472,074	119,173,617

153,842,874

139,533,354

Director



SARDAR CHEMICAL INDUSTRIES LIMITED

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT  
FOR THE THIRD QUARTER ENDED MARCH 31, 2018

(UN-AUDITED)

9 Months Ended

Quarter Ended

	31 Mar. 2018 Rupees	31 Mar. 2017 Rupees	31 Mar. 2018 Rupees	31 Mar. 2017 Rupees
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Sales	154,669,411	140,516,749	57,446,140	52,869,429
Cost of Sales	(124,955,780)	(112,452,416)	(48,842,414)	(43,253,870)
Gross Profit	29,713,631	28,064,333	8,603,726	9,615,559

OPERATING EXPENSES

Administrative	(13,861,383)	(15,540,810)	(4,904,761)	(5,296,406)
Selling and distribution	(7,738,722)	(8,129,856)	(2,605,828)	(2,717,497)

	(21,600,105)	(23,670,666)	(7,510,589)	(8,013,903)
Operating Profit/(Loss) For The period	8,113,526	4,393,667	1,093,137	1,601,656

Other Operating Income	502,267	--	--	--
Other Operating Expenses	(31,504)	(32,713)	--	--
Finance Cost	(1,196,843)	(1,823,162)	(351,483)	(455,337)
Profit/ (Loss) before taxation	7,387,446	2,537,792	741,654	1,146,319
Taxation	(2,216,234)	(812,093)	(156,038)	(366,822)
Profit/ (loss)for the period	5,171,212	1,725,699	585,616	779,497

Earning/(loss) per share	0.86	0.29	0.10	0.13
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Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED MARCH 31, 2018**

(UN-AUDITED)

	<u>9 Months Ended</u>		<u>Quarter Ended</u>	
	31 Mar. 2018 Rupees	31 Mar. 2017 Rupees	31 Mar. 2018 Rupees	31 Mar. 2017 Rupees
Profit/(Loss) after Taxation	5,171,212	1,725,699	585,616	779,497
Other Comprehensive Profit/(Loss)	--	--	--	--
<b>Total Comprehensive Profit/(Loss) for the Period</b>	<b>5,171,212</b>	<b>1,725,699</b>	<b>585,616</b>	<b>779,497</b>

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, 2018**

	MARCH 30,2018 Rupees	MARCH 30,2017 Rupees
<b>cash flow from operating activities</b>		
Profit/(Loss) before taxation	7,387,446	2,537,792
<b>Adjustment of non-Cash items.</b>		
Depreciation.	1,942,424	2,278,023
Financial Charges	1,196,843	1,823,162
Profit on sale of fixed assets	(343,486)	--
	<b>2,795,781</b>	<b>4,101,185</b>
Profit before working capital changes	<b>10,183,227</b>	<b>6,638,977</b>
<b>Effect of working capital changes</b>		
(Increase) /Decrease in store, spare and loose tools	525,306	(46,332)
(Increase) /Decrease in stock in trade	5,329,180	6,157,441
(Increase) /Decrease in trade debts	(18,992,058)	(5,350,963)
	<b>(392,517)</b>	<b>(353,970)</b>
(Increase)/Decrease in advances, deposit and Prepayments		
Increase/(Decrease) in creditors accrued and other Liabilities	10,644,468	1,376,810
	<b>(2,885,621)</b>	<b>1,782,986</b>
Financial charges paid	(1,128,975)	(2,278,791)
Tax paid	(3,688,386)	10,645,426
	<b>(4,817,361)</b>	<b>8,366,635</b>
<b>Net cash used in operating activities</b>	<b>A 2,480,245</b>	<b>16,788,598</b>
<b>Cash flow from investing activities:</b>		
Fixed Capital expenditure	--	(869,250)
Long term deposits	--	--
Sale proceeds of assets disposed off	390,000	--
<b>Net Cash generated from investing activities</b>	<b>B 390,000</b>	<b>(869,250)</b>
<b>Cash flow from financing activities</b>		
(Repayment) / proceeds of lease obligation	(1,822,457)	(2,036,660)
(Repayment) / proceeds of short term finances	(190,186)	(13,819,617)
<b>Net cash generated from financing activities</b>	<b>C (2,012,643)</b>	<b>(15,856,277)</b>
<b>Net increase/ (Decrease) in cash and cash Equivalents</b>	<b>A+B+C 857,602</b>	<b>63,071</b>
<b>Cash and cash Equivalents at beginning of the period</b>	<b>13,898,039</b>	<b>11,001,739</b>
<b>Cash and cash Equivalents at end of the period</b>	<b>14,755,641</b>	<b>11,064,810</b>

Chief Executive

Director



INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

AS AT 31 MARCH 2018

	Share Capital	Share Premium	Un-appropriated Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 <sup>th</sup> June 2016	60,000,000	30,000,000	24,394,035	114,394,035
Profit/(Loss) for the period ended				
30 June 2017	--	--	<u>2,455,224</u>	<u>2,455,224</u>
Balance at				
30 June, 2017	60,000,000	30,000,000	26,849,259	116,849,259
Profit/(Loss) for the period ended				
31 Dec 2017	--	--	<u>4,585,596</u>	<u>4,585,596</u>
Balance at				
31 Dec 2017	60,000,000	30,000,000	31,434,855	121,434,855
Profit/(Loss) for the period ended				
31 Mar. 2018	--	--	<u>585,616</u>	<u>585,616</u>
Balance at				
31 Mar. 2018	<b>60,000,000</b>	<b>30,000,000</b>	<b>32,020,471</b>	<b>122,020,471</b>

Chief Executive

Director



SARDAR CHEMICAL INDUSTRIES LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED MARCH 31, 2018 (Unaudited)

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 manufacturer and sale of dyestuffs for 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 on 31 March 2018 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 repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

This condensed interim financial report is unaudited and is being submitted to the shareholders as required by the section 245 of the repealed Companies Ordinance, 1984.

**2.2 Basis of measurement**

The Companies Ordinance 1984 has been repealed after the enactment of the Companies Act, 2017. However as allowed by the SECP vide its Circular No.23 dated October 4, 2017 read with related press release, and as per Circular No. 17 of the Institute of Chartered Accountants of Pakistan, these financial information have been prepared in accordance with the provision of the repealed Companies Ordinance 1984.

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 2017.

**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 2017.

**5. DATE OF AUTHORIZATION**

This condensed interim financial information was approved by the Board of Directors and for issue on 27<sup>th</sup> April, 2018.

**6. GENERAL**

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

Figures have been rounded off to the nearest Rupee.

Chief Executive

Director