



SARDAR CHEMICAL INDUSTRIES LIMITED

Third Quarter Accounts
(Un-Audited)

March
2019



Sardar
Chemical Industries Limited



ISO 9002 CERTIFIED



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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. Tayyabah Mahmood Sadiq
 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 Commercial 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, 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:042-35839182



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, 2019.

FINANCIAL RESULTS FOR THE QUARTER ARE SUMMERIZED AS UNDER:

	<u>2018</u>	<u>2019</u>
	(Rupees in thousands)	
Sales-Net	57,446	71,961
Cost & Expenditures	56,704	67,837
Profit/(Loss) before Taxation	742	4,124
Profit/(Loss) after Taxation	585	2,928

There was noted an increase of about 25% as compared to the last quarter of previous year ended on 31-03-2018 in the net Sales of the Company. This was achieved by the better marketing strategy and control over expenses. The customers also make more purchases upon rumors of increase in price of US dollar. This increase in sales was contributed by the major share of Textile dyes along with Leather sector because the summer season is going to start. In these days the textile sector produces stocks for summer season. This increase could be more but could not be achieved due to the reduction in import of raw materials due to heavy increase in the price of US dollar which reduced the production of our dyes and its sales. The major increase is due to increase in prices of our products.

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 upon the principal wait and see to go forward because the price of US dollar is going high and high. 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 financial sector of the country which provides 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

Gadoon Amazai

April 29, 2019

Sardar Mahmood Sadiq

Chief Executive



شروع اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے

سردار کیمیکل انڈسٹریز کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2019 کو ختم ہونے والی سہ ماہی غیر آڈٹ شدہ اکاؤنٹس بمعہ تفصیلات پیش کر رہے ہیں
سہ ماہی اکاؤنٹس کا خلاصہ درج ذیل ہے:

2019	2018	
		(رقم ہزاروں میں)
71,961	57,446	کل صافی سیلز
67,837	56,704	اخراجات
4,124	742	نفع / نقصان (فیکس سے پہلے)
2,928	585	نفع / نقصان (فیکس کے بعد)

موجودہ مالی سال کی آخری سہ ماہی کے دوران الحمد للہ آپ کی کمپنی کی مصنوعات کی فروخت میں تقریباً 25% اضافہ بمقابلہ آخری سہ ماہی 2018 نوٹ کیا گیا ہے۔ ہمارے کسٹمرز نے ڈالر کے بڑھتے ہوئے رجحان کے پیش نظر زیادہ خریداری کی، دوسرے گرمیوں کا سیزن شروع ہونے کو ہے اور ٹیکسٹائل ملز نے زیادہ سے زیادہ گرمیوں کے پٹے بنا کر شاک کر رہے ہیں تاکہ انہیں گرمیوں میں بہتر قیمت پر فروخت کر سکیں۔
آپ کی کمپنی اس سے زیادہ بھی ٹیکسٹائل رنگ سٹیل کر سکتی تھی لیکن ڈالر کی قیمت بڑھنے سے خام مال کی قیمتیں بہت زیادہ بڑھ گئی ہیں اور ہمیں خدشہ ہے کہ ہمارے گاہک ہمیں پوری قیمت نہیں دیں گے۔
چونکہ 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۔ ہمیں اُمید ہے کہ اگر گورنمنٹ نے مثبت اقدامات کیے تو آنے والے دنوں میں ہماری سیلز بڑھیں گی۔
مستقبل کے امکانات: اللہ تعالیٰ کے فضل و کرم سے ہم آپ کی کمپنی کے مستقبل کے بارے میں اُمید ہیں اور آنے والے اچھے دنوں کی اُمید ہے۔

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

سردار محمود صادق

چیف ایگزیکٹو

گدون امازئی 29 اپریل 2019



SARDAR CHEMICAL INDUSTRIES LIMITED

INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)

	(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised:		
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
Un-appropriated Profit / (loss)	42,949,930	37,411,543
	132,949,930	127,411,543
NON-CURRENT LIABILITIES		
OBLIGATION UNDER FINANCE LEASE	2,063,080	2,425,960
CURRENT LIABILITIES		
Current maturity of long term obligation	397,876	1,699,891
Short term finance	11,942,482	9,613,295
Creditors, accrued and other liabilities	9,795,895	8,787,688
Unclaimed Dividend	3,585,874	1,584,507
Markup Accrued	376,360	38,045
	26,098,487	21,723,426
	161,111,497	151,560,928

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

Chief Executive



SARDAR CHEMICAL INDUSTRIES LIMITED

AS AT MARCH 31, 2019

(Un-audited)

(Audited)

March 31, 2019
Rupees

June 30, 2018
Rupees

ASSETS

NON-CURRENT ASSETS

Property: Plant and Equipment	23,305,929	20,282,803
Deffered Taxation	720,973	481,305
Long Term Deposit	1,133,600	574,000

CURRENT ASSETS

Stores, spares & loose tools	913,555	605,371
Stock in trade	8,784,322	8,924,230
Trade debts	89,153,720	79,915,888
Current maturity of long term deposits	--	883,600
Advances, deposits, prepayments & other receivables	1,347,153	1,252,073
Taxation-net	23,893,002	17,098,651
Cash & bank balances	11,859,243	21,543,007
	135,950,995	130,222,820
	161,111,497	151,560,928



SARDAR CHEMICAL INDUSTRIES LIMITED

**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE THIRD QUARTER ENDED MARCH 31, 2019**

(UN-AUDITED)

9 Months Ended

Quarter Ended

	31 Mar. 2019 Rupees	31 Mar. 2018 Rupees	31 Mar. 2019 Rupees	31 Mar. 2018 Rupees
--	---------------------------	---------------------------	---------------------------	---------------------------

Sales	189,884,506	154,669,411	71,960,668	57,446,140
Cost of Sales	<u>(148,931,835)</u>	<u>(124,955,780)</u>	<u>(57,732,854)</u>	<u>(48,842,414)</u>
Gross Profit	40,952,671	29,713,631	14,227,814	8,603,726

OPERATING EXPENSES

Administrative	(18,393,377)	(13,861,383)	(6,811,916)	(4,904,761)
Selling and distribution	(8,202,294)	(7,738,722)	(2,693,043)	(2,605,828)
	<u>(26,595,671)</u>	<u>(21,600,105)</u>	<u>(9,504,959)</u>	<u>(7,510,589)</u>

Operating Profit/(Loss) For The period	14,357,000	8,113,526	4,722,855	1,093,137
Other Operating Income	760,162	502,267	--	--
Other Operating Expenses	--	(31,504)	--	--
Finance Cost	<u>(1,316,148)</u>	<u>(1,196,843)</u>	<u>(598,488)</u>	<u>(351,483)</u>
Profit/ (Loss) before taxation	13,801,014	7,387,446	4,124,367	741,654
Taxation	<u>(3,762,626)</u>	<u>(2,216,234)</u>	<u>(1,196,066)</u>	<u>(156,038)</u>
Profit/ (loss)for the period	10,038,388	5,171,212	2,928,301	585,616
Earning/(loss) per share	1.67	0.86	0.48	0.10

Chief Financial Officer

Director

Chief Executive

Chief Financial Officer

Director



**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED MARCH 31, 2019**

(UN-AUDITED)

9 Months EndedQuarter Ended

	31 Mar. 2019 Rupees	31 Mar. 2018 Rupees	31 Mar. 2019 Rupees	31 Mar. 2018 Rupees
Profit/(Loss) after Taxation	10,038,388	5,171,212	4,264,194	585,616
Other Comprehensive Profit/(Loss)	--	--	--	--
Total Comprehensive Profit/(Loss) for the Period	<u>10,038,388</u>	<u>5,171,212</u>	<u>4,264,194</u>	<u>585,616</u>

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



**INTERIM CONDENSED STATEMENT OF CASH FLOW (UN-AUDITED)
AS AT MARCH 31, 2019**

	MARCH 31,2019 Rupees	MARCH 31,2018 Rupees
cash flow from operating activities		
Profit/(Loss) before taxation	13,801,014	7,387,446
Adjustment of non-Cash items.		
Depreciation.	2,221,036	1,942,424
Financial Charges	1,316,148	1,196,843
Profit on sale of fixed assets	(760,162)	(343,486)
	<u>2,777,022</u>	<u>2,795,781</u>
Profit before working capital changes	16,578,036	10,183,227
Effect of working capital changes		
(Increase) /Decrease in store, spare and loose tools	(308,184)	525,306
(Increase) /Decrease in stock in trade	139,908	5,329,180
(Increase) /Decrease in trade debts	(9,237,832)	(18,992,058)
	(95,080)	(392,517)
(Increase)/Decrease in advances, deposit and Prepayments	1,008,206	10,644,468
Increase/(Decrease) in creditors accrued and other Liabilities	2,001,367	
(Increase) /Decrease in Unclaimed dividend	(6,491,615)	(2,885,621)
Financial charges paid	(977,833)	(1,128,975)
Tax paid	(10,796,645)	(3,688,386)
	<u>(11,774,478)</u>	<u>(4,817,361)</u>
Net cash used in operating activities	A (1,688,057)	2,480,245
Cash flow from investing activities:		
Fixed Capital expenditure	(5,434,000)	--
Long term deposits	324,000	--
Sale proceeds of assets disposed off	950,000	390,000
Net Cash generated from investing activities	B (4,160,000)	390,000
Cash flow from financing activities		
(Repayment) / proceeds of lease obligation	(1,664,895)	(1,822,457)
(Repayment) / proceeds of short term finances	2,329,188	(190,186)
Dividend paid	(4,500,000)	
Net cash generated from financing activities	C (3,835,707)	(2,012,643)
Net increase/ (Decrease) in cash and cash Equivalents	A+B+C (9,683,764)	857,602
Cash and cash Equivalents at beginning of the Period	21,543,007	13,898,039
Cash and cash Equivalents at end of the period	<u>11,859,243</u>	<u>14,755,641</u>


 Chief Executive


 Chief Financial Officer


 Director


 Chief Executive


 Chief Financial Officer


 Director



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

AS AT 31 MARCH 2019

	Share Capital	Share Premium	Un-appropriated Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 th 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				
30 June 2018	--	--	<u>5,976,687</u>	<u>5,976,687</u>
Balance at				
30 June 2018	60,000,000	30,000,000	37,411,542	127,411,542
Dividend for the year 2017-2018	--	--	(4,500,000)	(4,500,000)
Profit/(Loss) for the period ended				
31 Mar. 2019	--	--	<u>10,038,388</u>	<u>10,038,388</u>
Balance at				
31 Mar. 2019	60,000,000	30,000,000	42,949,930	132,949,930



SARDAR CHEMICAL INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED MARCH 31, 2019 (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

Statement of compliance

This condensed interim financial report of the Company for the Third Quarter ended on 31 March 2019 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.

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.

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 2018.

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 2018.

5. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and for issue on 29th April, 2019.

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

Chief Financial Officer

Director

Chief Executive

Chief Financial Officer

Director