

BOOK POST

First Quarter Accounts
(Un-Audited)

September
2018



Sardar
Chemical Industries Ltd.

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Sardar
Chemical Industries Limited

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



ISO 9002 CERTIFIED





SARDAR CHEMICAL INDUSTRIES LIMITED

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



SARDAR CHEMICAL INDUSTRIES LIMITED

HEAD OFFICE/SHARE DEPARTMENT	2-A, 2 nd Floor, Canal Bank Road, Justice Sardar, Iqbal Road, Aziz Avenue Gulberg-V, Lahore. Ph: (042) 35711154, 35710148 Fax: (042) 35775706 E-Mail: sarchem@brain.net.pk Web Site: www.sardarchem.net
REGISTERED OFFICE/ FACTORY	Plot. NO. 29-B, Road No. 01 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

**FIRST QUARTER 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 first quarter ended on September 30, 2018.

RESULTS FOR THE QUARTER ARE SUMMERIZED AS UNDER:

	<u>2017</u>	<u>2018</u>
	(Rupees in thousands)	
Sales-Net	44,653	56,106
Cost & Expenditures	41,658	52,040
Profit/(Loss) before Taxation	2,995	4,066
Profit/(Loss) after Taxation	2,067	2,846
Earning/(Loss) per share	0.34	0.47

There was increase of about 25.65% in net sales as compared to the first quarter of the last year. This increase in Sales was due to constant efforts of management and Sales staff of the company along with up wards trend in the rates of USD due to which our customers increased their purchases to avoid negative effects of USD rates. Our stocks were before the increase in USD therefore, we did not increase sales rates of our products sold to our customers. This content also caused increase in our sales in the captioned quarter. Due to increasing trend in the price of USD the coming period will be difficult to adjust the prices of our imported raw materials and onwards shifting of price hike to our customers.

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.

FUTURE PROSPECTS:

The management of the Company is very much optimistic about the future of the Sales of the Company products as the Government is seems very seriously working to increase the exports of the country which provide hope to the industrial sector 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 further profitability with consistency in production and supply to our valued customers.

For and on behalf of the Board

SARDAR MAHMOOD SADIQ
Chief Executive

Gadoon Amazai

October 27, 2018.

**STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**

	3 Months Sep. 30, 2018 Rupees	12 Months June 30, 2018 Rupees
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised:		
10,000,000 (2018:10,000,000) Ordinary Shares of Rs. 10/- each.	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up:		
6,000,000 (2018: 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)	<u>40,257,435</u>	<u>37,411,543</u>
	130,257,435	127,411,543
<u>NON CURRENT LIABILITIES</u>		
OBLIGATION UNDER FINANCE LEASE	2,327,760	2,425,960
<u>CURRENT LIABILITIES</u>		
Current maturity	1,374,055	1,699,891
Short term finance	3,830,445	9,613,295
Creditors, accrued and other liabilities	8,858,176	8,787,688
Unclaimed Dividend	1,584,507	1,584,507
Markup Accrued	-	38,045
	<u>15,647,183</u>	<u>21,723,426</u>
	<u>148,232,379</u>	<u>151,560,928</u>

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

Chief Executive

**AS AT SEPTEMBER 30, 2018**

3 Months

12 Months

Sep. 30, 2018
RupeesJune 30, 2018
Rupees**PROPERTY AND ASSETS****NON-CURRENT ASSETS**

Property, Plant and Equipment	19,465,056	20,282,803
Deferred Tax	481,305	481,305
LONG TERM DEPOSITS	574,000	574,000
	20,520,361	21,338,108

CURRENT ASSETS

Stores, spares & loose tools	806,185	605,371
Stock in trade	9,459,552	8,924,230
Trade debts	85,957,471	79,915,888
Current maturity of long term deposit	883,600	883,600
Advances, deposits, prepayments & other receivables	1,322,917	1,252,073
Taxation- Net	18,301,356	17,098,651
Cash & bank balances	10,980,937	21,543,007
	127,712,018	130,222,820
	148,232,379	151,560,928


 Chief Financial Officer


 Director
**STATEMENT OF PROFIT OR LOSS ACCOUNT**

(UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

Three Months Quarter Ended

	30 SEP. 2018 Rupees	30 SEP. 2017 Rupees
Sales- Net	56,106,366	44,653,269
Cost of Sales	44,882,181	34,925,391
Gross Profit	11,224,185	9,727,878
Administrative Expenses	5,038,655	4,452,360
Selling and distribution Cost	2,592,415	2,523,211
	7,631,070	6,975,571
Operating Profit for the period	3,593,115	2,752,307
Other Operating Income	760,162	411,535
Other Operating Expenses	--	31,504
Finance Cost	287,715	136,885
Profit/(Loss) before taxation	4,065,562	2,995,453
Taxation	(1,219,669)	(928,590)
Profit/(Loss) for the period	2,845,893	2,066,863
Earning/(loss) per share	0.47	0.34


 Chief Executive


 Chief Financial Officer


 Director



**STATEMENT OF CASH FLOW (UN-AUDITED)
AS AT SEPTEMBER 30, 2018**

	SEPTEMBER 30,2018 Rupees	SEPTEMBER 30,2017 Rupees
cash flow from operating activities		
Profit/(Loss) before taxation	4,065,562	2,995,453
Adjustment of non-Cash items.		
Depreciation.	693,410	647,473
Financial Charges	287,715	136,885
Profit on sale of fixed assets	(760,162)	(343,486)
	<u>220,963</u>	<u>440,872</u>
Profit before working capital changes	4,286,525	3,436,325
Effect of working capital changes		
(Increase) /Decrease in store, spare and loose tools	(200,814)	(822)
(Increase) /Decrease in stock in trade	(535,322)	(2,199,418)
(Increase) /Decrease in trade debts	(6,041,583)	(176,854)
	<u>(70,844)</u>	<u>(274,216)</u>
(Increase)/Decrease in advances, deposit and Prepayments	70,487	3,388,247
Increase/(Decrease) in creditors accrued and other Liabilities	(6,778,076)	736,937
Financial charges paid	(325,760)	(321,438)
Tax paid	(2,422,374)	(1,056,879)
	<u>(2,748,134)</u>	<u>(1,378,317)</u>
Net cash used in operating activities	A (5,239,685)	2,794,945
Cash flow from investing activities:		
Fixed Capital expenditure	(65,500)	
Sale proceeds of assets disposed off	950,000	390,000
Net Cash generated from investing activities	B 884,500	390,000
Cash flow from financing activities		
(Repayment) / proceeds of lease obligation	(424,035)	(741,152)
(Repayment) / proceeds of short term finances	(5,782,850)	1,627,250
Net cash generated from financing activities	C (6,206,885)	886,098
Net increase/ (Decrease) in cash and cash Equivalents	A+B+C (10,562,070)	4,071,043
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>10,980,937</u>	<u>17,969,082</u>


Chief Executive


Chief Financial Officer


Director



**SARDAR CHEMICAL INDUSTRIES LIMITED.
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018.**

	Share Capital	Share Premium	Un-appropriated Profit/ 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				
30 Sep.. 2017	--	--	<u>2,066,863</u>	<u>2,066,863</u>
Balance at				
30 Sep.. 2017	60,000,000	30,000,000	28,9116,122	118,916,122
Profit/(Loss) for the period ended				
30 June 2018	--	--	<u>8,495,420</u>	<u>8,495,420</u>
Balance at				
30 June 2018	60,000,000	30,000,000	37,411,543	127,411,543
Profit/(Loss) for the period ended				
30 Sep. 2018	--	--	<u>2,845,893</u>	<u>2,845,893</u>
Balance at				
30 Sep. 2018	60,000,000	30,000,000	40,257,435	130,257,435

**NOTES TO THE ACCOUNTS
QUARTER ENDED SEPTEMBER 30, 2018**

- The accounts are un audited and have been prepared in accordance with the requirements of SRO dated 5, November 2001 issued by the Securities and Exchange Commission of Pakistan.
- Accounting policies adopted for the preparation of the quarterly accounts are the same as those applied in the preparation of the audited annual published accounts of the company as on 30/06/2018.
- These accounts have been prepared in compliance with the requirement of international accounting standard IAS 34 "Interim Financial Reporting".


Chief Executive


Chief Financial Officer


Director