



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

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

Audit Committee

Mr. Fayyaz Ahmed Khan

Mrs. Mona Mahmood

Mrs. Reema Ayaz

REGISTRAR/TRANSFER AGENT

CorpLink (PVT)Ltd,WingsArcade,1-K,Commercial,
Model Town, Lahore.

Ph:042-35839182,35887262 Fax:042-35869037

COMPANY SECRETARY

Mr. Niaz Ahmed Chughtai

AUDITORS

ICEnet S.K.S.S.S & Co.Chartered Accountants

HR & REMUNERATION

Mrs. Mona Mehmood

Mr. Shahid Aziz

Mrs. Reema Ayaz

Mr. Hameed ud din Mirza (Secretary)

BANKERS

Allied Bank of Pakistan Ltd.

Askari Bank Ltd.

LEGAL ADVISORS

Mr. Javaid Iqbal Malik, Advocate

HEAD OFFICE/SHARE DEPARTMENT House # 127/II, C Block, Model Town,
Lahore.

Ph: (042) 35851865, 35851866, 35856488

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E-Mail: sarchem@brain.net.pk

Web Site: www.sardarchem.com

**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, 2016.

RESULTS FOR THE QUARTER ARE SUMMERIZED AS UNDER:

| | <u>2015</u> | <u>2016</u> |
|-------------------------------|-----------------------|-------------|
| | (Rupees in thousands) | |
| Sales-Net | 49,408 | 50,353 |
| Cost & Expenditures | 47,945 | 49,552 |
| Profit/(Loss) before Taxation | 1,463 | 801 |
| Profit/(Loss) after Taxation | 994 | 537 |

There was increase of 1.91% increase as compared to the last quarter ended on 31-03-2015 in the net Sales of the Company but the profit before taxation decreased by 45.23%. This increase in net Sales is very nominal but decrease in profit before taxation was noted with deep concern by the Board of Directors of Company. 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 unforeseen circumstances. The reduction in profit before taxation was happened due to fluctuation in prices of our raw materials internationally. The traders have also 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

Chief Executive

Lahore
April 28, 2016

**INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)**

| | 9 Months March 31, 2016 Rupees | 12 Months June 30, 2015 Rupees |
|---|--------------------------------------|--------------------------------------|
| CAPITAL AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorised: | | |
| 10,000,000 (2015:10,000,000) Ordinary Shares of Rs. 10/- each. | <u>100,000,000</u> | <u>100,000,000</u> |
| Issued, Subscribed and Paid-up: | | |
| 6,000,000 (2015: 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>22,357,973</u> | <u>20,624,563</u> |
| | 112,357,973 | 110,624,563 |
| NON- CURRENT LIABILITIES | | |
| OBLIGATION UNDER FINANCE LEASE | 5,948,933 | 4,279,036 |
| Deferred Liability | 274,219 | 274,219 |
| CURRENT LIABILITIES & PROVISION | | |
| Current maturity | 2,675,565 | 1,449,405 |
| Short term finance | 26,075,040 | 31,126,859 |
| Creditors, accrued and other liabilities | 10,478,989 | 10,412,142 |
| Mark up Accrued | - | 741,186 |
| | 39,229,594 | 43,729,592 |
| | <u>157,810,719</u> | <u>158,907,410</u> |

Chief Executive



AS AT MARCH 31, 2016

| | 9 Months March 31, 2016 Rupees | 12 Months JUNE 30, 2015 Rupees |
|---|--------------------------------------|--------------------------------------|
| PROPERTY AND ASSETS | | |
| FIXED ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, Plant and Equipment | 22,772,819 | 21,205,852 |
| Long Term deposits | 2,624,300 | 1,740,700 |
| | 25,397,119 | 22,946,552 |
| CURRENT ASSETS | | |
| Stores, spares & loose tools | 587,403 | 706,003 |
| Stock in trade | 22,309,153 | 32,669,998 |
| Trade debts | 64,929,506 | 68,599,930 |
| Advances, deposits, prepayments & other receivables | 875,003 | 926,732 |
| Taxation-Net | 29,932,774 | 26,512,175 |
| Cash & bank balances | 13,779,761 | 6,546,020 |
| | 132,413,600 | 135,960,858 |
| | 157,810,719 | 158,907,410 |

Director



INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

(UN-AUDITED)

FOR THE THIRD QUARTER ENDED MARCH 31, 2016

| | 9 Months Ended | | Quarter Ended | |
|---|-------------------|-------------------|------------------|------------------|
| | 31 March. 2016 | 31 March. 2015 | 31 March 2016 | 31 March 2015 |
| Sales | 142,913,817 | 92,560,420 | 50,353,397 | 52,359,232 |
| Cost of Sales | (117,080,939) | (75,786,539) | (41,294,400) | (44,513,032) |
| Gross Profit | 25,832,878 | 16,773,881 | 9,058,997 | 7,846,200 |
| OPERATING EXPENSES | | | | |
| Administrative | (14,289,882) | (9,209,714) | (5,080,168) | (4,793,910) |
| Selling and distribution | (7,360,080) | (4,680,056) | (2,680,024) | (2,298,033) |
| | (21,649,962) | (13,889,770) | (7,760,192) | (7,091,943) |
| Operating Profit/(Loss) For The period | 4,182,916 | 2,884,111 | 1,298,805 | 754,257 |
| Other Operating Income | 835,402 | 835,402 | - | 835,402 |
| Other Operating Expenses | (40,247) | (40,247) | - | (40,247) |
| Finance Cost | (2,390,893) | (1,893,464) | (497,429) | (997,517) |
| Profit/ (Loss) before taxation | 2,587,178 | 1,785,802 | 801,376 | 551,895 |
| Taxation | (853,769) | (589,315) | (264,454) | (182,126) |
| Profit/ (loss) for the period | 1,733,409 | 1,196,487 | 536,922 | 369,769 |
| Earning/(loss) per share | 0.29 | 0.20 | 0.09 | 0.06 |

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CASH FLOW (UN-AUDITED)
AS AT MARCH 31, 2016**

| | MARCH 31,2016 Rupees | MARCH 31,2015 Rupees |
|--|----------------------------|----------------------------|
| Cash flow from operating activities: | | |
| Cash generated from operation | 20,333,665 | 7,656,368 |
| Financial charges paid | (3,132,079) | (3,266,459) |
| Long term deposits | | |
| Tax paid | (3,760,483) | (5,606,574) |
| | <u>(6,892,562)</u> | <u>(8,873,033)</u> |
| Net cash inflow from operating activities | 13,441,103 | (1,216,665) |
| Cash flow from investing activities: | | |
| Long Term Deposit | (883,600) | 741,600 |
| Sale proceeds of assets disposed off | 1,250,000 | 900,000 |
| Net Cash Inflow/(outflow) from investing activities | 366,400 | 1,641,600 |
| | <u>13,807,503</u> | <u>424,935</u> |
| Cash from financing activities | | |
| (Repayment) / proceeds of lease obligation | (1,521,943) | (1,894,506) |
| (Repayment) / proceeds of short term finances | (5,051,819) | 2,168,879 |
| Net cash (out flow) / inflow from activities | (6,573,762) | 274,373 |
| Net increase/ (Decrease) in cash and cash Equivalents | 7,233,741 | 699,308 |
| Cash and cash Equivalents at beginning of the period | 6,546,020 | 5,763,511 |
| Cash and cash Equivalents at end of the period | 13,779,761 | 6,462,819 |
| CASH GENERATED FROM OPERATION | | |
| Profit/(Loss) before taxation | 2,587,178 | 2,124,657 |
| Add/(Less) adjustment of non-Cash items. | | |
| Depreciation. | 2,402,020 | 2,502,636 |
| Financial Charges | 2,390,893 | 3,397,054 |
| (Profit) / Loss on sale of fixed assets | (800,986) | (677,035) |
| | <u>3,991,927</u> | <u>5,222,655</u> |
| Profit before working capital changes | 6,579,105 | 7,347,312 |
| Effect of cash flow due to working capital change | | |
| (Increase) /Decrease in store, spare and loose tools | 118,600 | (236,496) |
| (Increase) /Decrease in stock in trade | 10,360,845 | 618,878 |
| (Increase) /Decrease in trade debts | 3,670,424 | 6,462,300 |
| | | |
| (Increase)/Decrease in advances, deposit and Prepayments | 51,729 | 293,610 |
| Increase/(Decrease) in creditors accrued and other Liabilities | (447,038) | (6,829,236) |
| | <u>13,754,580</u> | <u>309,056</u> |
| | <u>20,333,665</u> | <u>7,656,368</u> |

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2016.**

| | Share Capital | Share Premium | Un-appropriated Profit/ (Accumulated Loss) | Rupees Total |
|------------------------------------|-------------------|-------------------|---|--------------------|
| Balance at | | | | |
| 30 th June 2014 | 60,000,000 | 30,000,000 | 16,981,120 | 106,981,120 |
| Profit/(Loss) for the year ended | | | | |
| 30 June. 2015 | --- | --- | <u>3,643,443</u> | <u>3,643,443</u> |
| Balance at | | | | |
| 30 June. 2015 | 60,000,000 | 30,000,000 | 20,624,563 | 110,624,563 |
| Profit/(Loss) for the period ended | | | | |
| 31 Dec 2015 | --- | --- | <u>1,196,487</u> | <u>1,196,487</u> |
| Balance at | | | | |
| 31 Dec 2015 | 60,000,000 | 30,000,000 | 21,821,050 | 111,821,050 |
| Profit/(Loss) for the period ended | | | | |
| 31 March. 2016 | --- | --- | <u>1,733,409</u> | <u>1,733,409</u> |
| Balance at | | | | |
| 31 March. 2016 | 60,000,000 | 30,000,000 | 22,357,973 | 112,357,973 |

**NOTES TO THE ACCOUNTS
THIRD QUARTER ENDED MARCH 31, 2016**

- 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 30/06/2015
- These accounts have been prepared in compliance with the requirement of international accounting standard IAS 34 "Interim Financial Reporting".
- Previous year's figures have been rearranged wherever necessary, for the purposes of comparison.

Chief Executive

Director