

**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](mailto:sarchem@brain.net.pk)

Website: [sardarchem.net](http://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



*First Quarter Accounts*  
(Un-Audited)

*September*  
**2019**

**Sardar**

**Chemical Industries Limited**



ISO 9002 CERTIFIED



Rheinland



## 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. Tayybah Mahmood Sadiq Mrs. Reema Ayaz
Audit Committee	Mr. Aitzaz Ahmad Tarar Mrs. Tayybah Mahmood Sadiq Mr. Fayyaz Ahmed Khan
COMPANY SECRETARY	Mr. Niaz Ahmed Chughtai
AUDITORS	Aslam Malik & Co., Chartered Accountants
HR & REMUNERATION	Mrs. Tayybah Mahmood Sadiq Mr. Aitzaz Ahmad Tarar Mr. Fayyaz Ahmed Khan
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-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 for the first quarter (un audited) along with financial statements of the Company ended on September 30, 2019.

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

	<u>2018</u> (Rupees in thousands)	<u>2019</u>
Sales-Net	56,106	63,462
Cost & Expenditures	52,040	50,706
Profit for the Quarter before tax	4,066	12,756
Profit /(Loss) after Taxation	2,846	8,699
Earning/(Loss) per share	0.47	1.45

The net Sales increased by 13% as compare to first quarter of the previous year. The sales increased as the sale prices of the products had to increased due to depreciation of the rupee but the total tons sold was less by 27%. During the budget 2018-19 the policies announced by the government were not accepted by the traders and the market, industry came to a very slow pace.

The production costs has also been increased due to increase in all type of costs like electricity, sui gas, labour wages and transportation charges which forced us to increase the prices of products but the market has not capacity to absorb this increase in prices of our finished products. Now only essential sales is going on.

Our dyes are mainly for the export oriented industries of the country and the export of the country in the field of Leather and Textile remained under pressure due to increase in the cost of manufacturing and sale.

**FUTURE PROPECTS:**

The management of the Company is optimistic about the future Sales of the Company products as the FBR is holding meetings with the traders of the countries to satisfy them about new financial policies of the Government and making other measures to accelerate the business activities in the country.

The Company will continue to focus on quality products meeting with the international standards and remedial measures to keep control on cost of our products to get its share from the market.

For and on behalf of the Board

SARDAR MAHMOOD SADIQ  
Chief Executive

Gadoon Amazai

October 28, 2019.

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

	3 Months Sep. 30, 2019 Rupees	12 Months June 30, 2019 Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorised:</b>		
10,000,000 (2019:10,000,000) Ordinary Shares of Rs. 10/- each.	<b>100,000,000</b>	100,000,000
<b>Issued, Subscribed and Paid-up:</b>		
6,000,000 (2019: 6,000,000) Ordinary shares of Rs.10/-each fully paid in cash	<b>60,000,000</b>	60,000,000
Share premium	<b>30,000,000</b>	30,000,000
Un-appropriated Profit / (loss)	<b>60,263,992</b>	51,564,999
	<b>150,263,992</b>	141,564,999
<b><u>NON CURRENT LIABILITIES</u></b>		
<b>OBLIGATION UNDER FINANCE LEASE</b>	<b>5,534,983</b>	5,849,722
<b><u>CURRENT LIABILITIES</u></b>		
Current maturity	<b>1,034,259</b>	999,338
Short term finance	<b>13,713,392</b>	14,357,932
Creditors, accrued and other liabilities	<b>13,247,322</b>	9,904,097
Unclaimed Dividend	<b>2,409,974</b>	2,818,365
Markup Accrued	-	415,098
	<b>30,404,947</b>	28,494,829
	<b>186,203,922</b>	175,909,550

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

Chief Executive

**AS AT SEPTEMBER 30, 2019**

3 Months

12 Months

Sep. 30, 2019  
RupeesJune 30, 2019  
Rupees**PROPERTY AND ASSETS****NON-CURRENT ASSETS**

Property, Plant and Equipment	27,382,103	27,412,168
Deferred Tax	767,080	767,080
LONG TERM DEPOSITS	1,477,200	1,290,200
	<b>29,626,383</b>	<b>29,469,448</b>

**CURRENT ASSETS**

Stores, spares & loose tools	786,452	534,651
Stock in trade	14,193,197	12,870,591
Trade debts	107,195,632	93,014,490
Advances, deposits, prepayments & other receivables	3,527,248	3,785,279
Taxation- Net	19,644,040	24,966,422
Cash & bank balances	11,230,970	11,268,668
	<b>156,577,539</b>	<b>146,440,102</b>
	<b>186,203,922</b>	<b>175,909,550</b>

Chief Financial Officer

Director

**STATEMENT OF PROFIT OR LOSS ACCOUNT**

(UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

**Three Months Quarter Ended**

	30 SEP. 2019 Rupees	30 SEP. 2018 Rupees
<b>Sales- Net</b>	63,462,325	56,106,366
<b>Cost of Sales</b>	<u>40,046,867</u>	<u>44,882,181</u>
<b>Gross Profit</b>	23,415,458	11,224,185
Administrative Expenses	7,663,697	5,038,655
Selling and distribution Cost	2,650,493	2,592,415
	<u>10,314,190</u>	<u>7,631,070</u>
Operating Profit for the period	13,101,268	3,593,115
Other Operating Income	--	760,162
Finance Cost	345,180	287,715
Profit/(Loss) before taxation	12,756,088	4,065,562
Taxation	(4,057,095)	(1,219,669)
Profit/(Loss) for the period	<u>8,698,993</u>	<u>2,845,893</u>
Earning/(loss) per share	1.45	0.47

Chief Executive

Chief Financial Officer

Director



**STATEMENT OF CASH FLOW (UN-AUDITED)  
AS AT SEPTEMBER 30, 2019**

	SEPTEMBER 30,2019 Rupees	SEPTEMBER 30,2018 Rupees
<b>cash flow from operating activities</b>		
Profit/(Loss) before taxation	12,756,088	4,065,562
<b>Adjustment of non-Cash items.</b>		
Depreciation.	977,771	693,410
Financial Charges	345,180	287,715
Profit on sale of fixed assets	--	(760,162)
	<u>1,322,951</u>	<u>220,963</u>
Profit before working capital changes	14,079,039	4,286,525
<b>Effect of working capital changes</b>		
(Increase) /Decrease in store, spare and loose tools	(251,802)	(200,814)
(Increase) /Decrease in stock in trade	(1,322,606)	(535,322)
(Increase) /Decrease in trade debts	(14,181,142)	(6,041,583)
(Increase)/Decrease in advances, deposit and Prepayments	258,031	(70,844)
Increase/(Decrease) in creditors accrued and other Liabilities	3,343,225	70,487
(Increase)/Decrease in unclaimed dividend	(408,391)	--
	<u>(12,562,685)</u>	<u>(6,778,076)</u>
Financial charges paid	(760,278)	(325,760)
Tax paid	1,265,285	(2,422,374)
	<u>505,007</u>	<u>(2,748,134)</u>
<b>Net cash used in operating activities</b> A	<b>2,021,361</b>	<b>(5,239,685)</b>
<b>Cash flow from investing activities:</b>		
Fixed Capital expenditure	(947,700)	(65,500)
Sale proceeds of assets disposed off	--	950,000
Long Term Deposit	(187,000)	--
<b>Net Cash generated from investing activities</b> B	<b>(1,134,700)</b>	<b>884,500</b>
<b>Cash flow from financing activities</b>		
(Repayment) / proceeds of lease obligation	(279,819)	(424,035)
(Repayment) / proceeds of short term finances	(644,540)	(5,782,850)
<b>Net cash generated from financing activities</b> C	<b>(924,359)</b>	<b>(6,206,885)</b>
<b>Net increase/ (Decrease) in cash and cash Equivalents</b> A+B+C	<b>(37,698)</b>	<b>(10,562,070)</b>
Cash and cash Equivalents at beginning of the period	11,268,668	21,543,007
Cash and cash Equivalents at end of the period	<u>11,230,970</u>	<u>10,980,937</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, 2019.**

	Share Capital Rupees	Share Premium	Un-appropriated Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 <sup>th</sup> June 2018	60,000,000	30,000,000	37,411,542	127,411,542
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
Profit/(Loss) for the period ended				
30 June 2019	--	--	<u>11,307,564</u>	<u>11,307,564</u>
Balance at				
30 June 2019	60,000,000	30,000,000	51,564,999	141,564,999
Profit/(Loss) for the period ended				
30 Sep. 2019	--	--	<u>8,698,993</u>	<u>8,698,993</u>
<b>Balance at</b>				
<b>30 Sep. 2019</b>	<b>60,000,000</b>	<b>30,000,000</b>	<b>60,263,992</b>	<b>150,263,992</b>

**NOTES TO THE ACCOUNTS  
QUARTER ENDED SEPTEMBER 30, 2019**

- 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 30/06/2019.
- 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