

**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.

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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



First Quarter  
Accounts (Un Audited)

**September**  
**2020**



**Sardar**  
Chemical Industries Limited



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. 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



SARDAR CHEMICAL INDUSTRIES LIMITED

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, 2020.

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

	<b>2019</b>	<b>2020</b>
	<b>(Rupees in thousands)</b>	
Sales-Net	63,462	84,605
Cost & Expenditures	50,706	53,066
Profit for the Quarter before tax	12,756	31,539
Profit /(Loss) after Taxation	8,699	21,833
Earning/(Loss) per share	1.45	3.64

The net Sales increased by about 33% as compare to first quarter of the previous year. The sales increased as the sale prices of the products have been increased due to depreciation of the Pak rupee and increase in production cost. The market activities were mainly stopped due to covid-19, due to change in the weather of the country the attacks of covid-19 has been reduced and the activities in the markets has been started up to some extent. The market is also adjusting with the decrease in the value of Pak Rupee and its effect on product prices which is positive response for the business activities.

The production costs has also been increased due to regular increase in all type of costs like electricity, sui gas, labour wages and transportation charges which forced us to adjust the prices of our products but the market is absorbing the increase slowly however the response is positive.

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 sales prices.

**FUTURE PROPECTS:**

The management of the Company is optimistic about the future Sales of its products as the covide-19 is almost over from our country this will accelerate the business activities in the country. The recent policies of the Government are also favourable for increase of business activities in the country.

The Company will continue to focus on quality products meeting with the international standards along with supply of products well in time to our valued customers places 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

DIRECTOR

Gadoon Amazai

October 27, 2020.

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

	3 Months Sep. 30, 2020 Rupees	12 Months June 30, 2020 Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorised:</b>		
10,000,000 (2020:10,000,000) Ordinary Shares of Rs. 10/- each.	<b>100,000,000</b>	100,000,000
<b>Issued, Subscribed and Paid-up:</b>		
6,000,000 (2020: 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>94,416,884</b>	72,584,098
	<b>184,416,884</b>	162,584,098
<b><u>NON CURRENT LIABILITIES</u></b>		
<b>LEASE LIABILITIES</b>	<b>5,600,049</b>	6,109,157
<b><u>CURRENT LIABILITIES</u></b>		
Current maturity	<b>1,457,253</b>	1,453,422
Short term finance	<b>13,115,384</b>	17,058,518
Creditors, accrued and other liabilities	<b>14,513,570</b>	15,727,482
Unclaimed Dividend	<b>2,000,918</b>	2,401,236
Markup Accrued	--	--
	<b>31,087,125</b>	36,640,659
	<b>221,104,058</b>	205,333,913

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

Chief Executive

**AS AT SEPTEMBER 30, 2020**

3 Months

12 Months

Sep. 30,2020  
RupeesJune 30,2020  
Rupees**PROPERTY AND ASSETS****NON-CURRENT ASSETS**

Property, Plant and Equipment	26,914,321	27,850,172
Deferred Tax	1,355,576	1,355,576
LONG TERM DEPOSITS	4,844,280	1,477,200
	<b>33,114,177</b>	<b>30,682,948</b>

**CURRENT ASSETS**

Stores, spares & loose tools	671,367	771,367
Stock in trade	42,388,834	40,363,334
Trade debts	111,977,144	95,429,672
Advances, deposits, prepayments & other receivables	1,336,757	1,458,831
Taxation- Net	16,324,691	23,914,301
Cash & bank balances	15,291,088	12,713,460
	<b>187,989,881</b>	<b>174,650,965</b>
	<b>221,104,058</b>	<b>205,333,913</b>

Chief Financial Officer

Director

**STATEMENT OF PROFIT OR LOSS ACCOUNT**

(UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

**Three Months Quarter Ended**

	30 SEP. 2020 Rupees	30 SEP. 2019 Rupees
<b>Sales- Net</b>	<b>84,605,412</b>	63,462,325
<b>Cost of Sales</b>	<b>42,575,369</b>	40,046,867
<b>Gross Profit</b>	<b>42,030,043</b>	23,415,458
Administrative Expenses	7,858,935	7,663,697
Selling and distribution Cost	2,124,488	2,650,493
	<b>9,983,423</b>	10,314,190
Operating Profit for the period	<b>32,046,620</b>	13,101,268
Other Operating Income	--	--
Finance Cost	507,250	345,180
Profit/(Loss) before taxation	<b>31,539,370</b>	12,756,088
Taxation	<b>(9,706,584)</b>	(4,057,095)
Profit/(Loss) for the period	<b>21,832,786</b>	8,698,993
Earning/(loss) per share	3.64	1.45

Chief Executive

Chief Financial Officer

Director

STATEMENT OF CASH FLOW (UN-AUDITED)  
AS AT SEPTEMBER 30, 2020

	SEPTEMBER 30,2020 Rupees	SEPTEMBER 30,2019 Rupees
<b>cash flow from operating activities</b>		
Profit/(Loss) before taxation	31,539,370	12,756,088
<b>Adjustment of non-Cash items.</b>		
Depreciation.	935,853	977,771
Financial Charges	507,250	345,180
Profit on sale of fixed assets	--	--
	<u>1,443,103</u>	<u>1,322,951</u>
Profit before working capital changes	<u>32,982,473</u>	<u>14,079,039</u>
<b>Effect of working capital changes</b>		
(Increase) /Decrease in store, spare and loose tools	100,000	(251,802)
(Increase) /Decrease in stock in trade	(2,025,500)	(1,322,606)
(Increase) /Decrease in trade debts	(16,547,472)	(14,181,142)
(Increase)/Decrease in advances, deposit and Prepayments	122,074	258,031
Increase/(Decrease) in creditors accrued and other Liabilities	(1,213,915)	3,343,225
(Increase)/Decrease in unclaimed dividend	--	(408,391)
	<u>(19,564,813)</u>	<u>(12,562,685)</u>
Financial charges paid	(507,250)	(760,278)
Tax paid	(2,116,974)	1,265,285
	<u>(2,624,224)</u>	<u>505,007</u>
<b>Net cash used in operating activities</b> A	<b>10,793,436</b>	<b>2,021,361</b>
<b>Cash flow from investing activities:</b>		
Fixed Capital expenditure	--	(947,700)
Sale proceeds of assets disposed off	(3,367,080)	--
Long Term Deposit	--	(187,000)
<b>Net Cash generated from investing activities</b> B	<b>(3,367,080)</b>	<b>(1,134,700)</b>
<b>Cash flow from financing activities</b>		
(Repayment) / proceeds of lease obligation	(505,276)	(279,819)
(Repayment) / proceeds of short term finances	(3,943,134)	(644,540)
Dividend Paid	400,318	--
<b>Net cash generated from financing activities</b> C	<b>(4,848,728)</b>	<b>(924,359)</b>
<b>Net increase/ (Decrease) in cash and cash Equivalents</b> A+B+C	<b>2,577,628</b>	<b>(37,698)</b>
Cash and cash Equivalents at beginning of the period	12,713,460	11,268,668
<b>Cash and cash Equivalents at end of the period</b>	<b>15,291,088</b>	<b>11,230,970</b>

Chief Executive

Chief Financial Officer

Director

SARDAR CHEMICAL INDUSTRIES LIMITED.  
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020.

	Share Capital	Share Premium	Un-appropriated Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 <sup>th</sup> June 2019	60,000,000	30,000,000	51,564,999	127,411,542
Profit/(Loss) for the period ended 30 Sep.. 2019	--	--	<u>8,698,993</u>	<u>8,698,993</u>
Balance at 30 Sep.. 2019	60,000,000	30,000,000	60,263,992	150,263,992
Profit/(Loss) for the period ended 30 June 2020	--	--	<u>12,320,106</u>	<u>12,320,106</u>
Balance at 30 June 2020	60,000,000	30,000,000	72,584,098	148,430,641
Profit/(Loss) for the period ended 30 Sep. 2020	--	--	<u>21,832,786</u>	<u>21,832,786</u>
<b>Balance at 30 Sep. 2020</b>	<b>60,000,000</b>	<b>30,000,000</b>	<b>94,416,884</b>	<b>170,263,427</b>

NOTES TO THE ACCOUNTS  
QUARTER ENDED SEPTEMBER 30, 2020

- 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 30/06/2020.
- 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