



SARDAR CHEMICAL INDUSTRIES LIMITED

**Third Quarter Accounts**  
(Un-Audited)  
*March*  
**2020**

**Sardar**

**Chemical Industries Limited**

**TÜV CERT**  
DIN EN ISO 9002:1994  
Certificate No. 01 100 01074  
ISO 9002 CERTIFIED

**TÜV Rheinland**



SARDAR CHEMICAL INDUSTRIES LIMITED

**BOOK POST**



**Sardar**  
Chemical Industries Ltd.

If Undelivered  
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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



**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  
 Mr. Fayaz Ahmed Khan  
 COMPANY SECRETARY Mr. Niaz Ahmed Chughtai  
 AUDITORS Aslam Malik & Co.,Chartered Accountants  
 HR & REMUNERATION Mrs. Tayyabah Mahmood Sadiq  
 Mr. Aitzaz Ahmad Tarar  
 Mr. Fayaz 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,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



**SARDAR CHEMICAL INDUSTRIES LIMITED**

**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, 2020.

FINANCIAL RESULTS FOR THE QUARTER ARE SUMMERIZED AS UNDER:

	<u>2019</u>	<u>2020</u>
	(Rupees in thousands)	
Sales Net	71,961	86,488
Cost & Expenditures	67,837	71,798
Profit/(Loss) before Taxation	4,124	14,690
Profit/(Loss) after Taxation	2,928	10,327

It was noted that there is an increase of 20% in net sales of the Company as compared to the last quarter of previous year ended on 31-03-2019 and the profits were increased to about 253% after taxation. This major increase in profit was incurred due to heavy devaluation of Pak rupee, our raw material stocks were old one imported before devaluation of Pak rupee while the sales were made at present rates of USD. However the increase in Sales was achieved by the better marketing strategy and control. The major part of sales was contributed by the Textile sector along with Leather sector.

The products of our Company are for export oriented industries and our Company is facilitator of the export oriented industries of Textile and Leather.

FUTURE PROSPECTS

The management of the Company is very vigilant upon the heavy price fluctuations of USD rates along with consequences of ban on imports from India which will hamper badly future production plans of the Company.

Due to pandemic corona virus attack on China and after wards whole world also damaged the financial structures of the countries and Companies. This virus also hit our country and the Government of Pakistan who announced complete lock down of the country which has very badly affected the economic activities of the country. Allah knows how long this situation will prevails.

In the light of above the coming period may be very hard financially and production wise.

The Company will continue to focus on quality products meeting with the international standards and remedial measures will be taken to remain the company on in 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, 2020

**Sardar Mahmood Sadiq**

Chief Executive



**SARDAR CHEMICAL INDUSTRIES LIMITED**

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

سردار کیمیکل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2020 کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

مالیاتی نتائج کا مختصر جائزہ:

2020	2019	
(رقم ہزاروں میں)		
86,488	71,961	کل سیلز
71,798	67,837	اخراجات
14,690	4,124	نفع / نقصان ٹیکس سے پہلے
10,327	2,928	نفع / نقصان ٹیکس سے پہلے

موجودہ مالی سال کی آخری سہ ماہی کے دوران الحمد للہ آپ کی کمپنی کی مصنوعات کی فروخت میں تقریباً 20% اضافہ ہوا ہے۔ بمقابلہ آخری سہ ماہی 2019ء میں نوٹ کیا گیا ہے۔ اس اضافے کے ساتھ ساتھ آمدنی میں بھی نفع / نقصان ٹیکس کے بعد 253% اضافہ ہوا ہے۔ جس کی وجہ سے ہمارے پاس خام مال پرانا خریدنا تھا جبکہ ڈالر کے مقابلے میں روپے کی قیمت بہت زیادہ کم ہونے کی وجہ سے تیار شدہ مال نئے نرخوں پر بیچا جو کہ اس اضافے کی وجہ بنا۔

ہماری تیار کردہ مصنوعات زیادہ تر برآمد کنندگان انڈسٹری ٹیکسٹائل اور لیڈر استعمال کرتی ہے جس کی وجہ سے ہم اپنے معیار کو برقرار رکھتے ہیں۔

مستقبل کا امکانات:

اللہ رب العزت کے فضل و کرم کے سبب آپ کی کمپنی مستقبل کے بارے میں پر امید ہے۔ صرف خطرہ روپے کی قدر کم ہونے کا ہے جس کی وجہ سے آئندہ مصنوعات کی قیمتیں بڑھنے کا خطرہ ہے، دیگر جو عالمی وبا کرونا پھوٹ پڑا ہے جس نے ساری دنیا میں تباہی مچا دی ہے اور ہمارے ہاں بھی مارچ سے لاک ڈاؤن ہے اور کسی بھی قسم کی کوئی معاشی سرگرمی معطل ہو کر رہ گئی ہے۔ بہر حال ہم اللہ کی رحمت سے مایوس نہیں ہیں۔ انشاء اللہ یہ وقت بھی ختم ہو جائے گا اور ملک میں ایک دفعہ پہلے والی بہاریں لوٹ آئیں گی۔

اعترافات:

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

سردار محمود صادق  
چیف ایگزیکٹو

گدون لازمی

29 اپریل 2020



**SARDAR CHEMICAL INDUSTRIES LIMITED**

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

(Un-audited) (Audited)  
March 31, 2020 June 30, 2019  
Rupees Rupees

**CAPITAL AND LIABILITIES**

**SHARE CAPITAL AND RESERVES**

**Authorised:**

10,000,000 (2019: 10,000,000) Ordinary Shares of Rs. 10/- each.	100,000,000	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	60,000,000	60,000,000
Share premium	30,000,000	30,000,000
Un-appropriated Profit / (loss)	72,636,410	51,564,999
	<b>162,636,410</b>	<b>141,564,999</b>

**NON-CURRENT LIABILITIES**

OBLIGATION UNDER FINANCE LEASE	6,478,427	5,849,722
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**CURRENT LIABILITIES**

Current maturity of long term obligation	1,354,330	999,338
Short term finance	19,209,079	14,357,932
Creditors, accrued and other liabilities	13,365,729	9,904,097
Unclaimed Dividend	2,401,236	2,818,365
Markup Accrued	941,235	415,098
	<b>37,271,609</b>	<b>28,494,829</b>
	<b>206,386,446</b>	<b>175,909,550</b>

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

Chief Executive



**SARDAR CHEMICAL INDUSTRIES LIMITED**

**AS AT MARCH 31, 2020**

(Un-audited)

(Audited)

March 31, 2020  
Rupees

June 30, 2019  
Rupees

**ASSETS**

**NON-CURRENT ASSETS**

Property: Plant and Equipment	29,467,296	27,412,168
Deffered Taxation	767,080	767,080
Long Term Deposit	1,477,200	1,290,200

**CURRENT ASSETS**

Stores, spares & loose tools	754,125	534,651
Stock in trade	7,861,177	12,870,591
Trade debts	131,490,047	93,014,490
Advances, deposits, prepayments & other receivables	2,252,695	3,785,279
Taxation-net	20,470,759	24,966,422
Cash & bank balances	11,846,067	11,268,668
	<b>174,674,870</b>	<b>146,440,102</b>
	<b>206,386,446</b>	<b>175,909,550</b>



**SARDAR CHEMICAL INDUSTRIES LIMITED**

**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT  
FOR THE THIRD QUARTER ENDED MARCH 31, 2020**

(UN-AUDITED)

9 Months Ended

Quarter Ended

	31 Mar. 2020 Rupees	31 Mar. 2019 Rupees	31 Mar. 2020 Rupees	31 Mar. 2019 Rupees
<b>Sales</b>	225,658,381	189,884,506	85,487,899	71,960,668
<b>Cost of Sales</b>	<u>(160,850,698)</u>	<u>(148,931,835)</u>	<u>(58,745,529)</u>	<u>(57,732,854)</u>
<b>Gross Profit</b>	64,807,683	40,952,671	26,742,370	14,227,814
<b>OPERATING EXPENSES</b>				
<b>Administrative</b>	<u>(23,813,200)</u>	<u>(18,393,377)</u>	<u>(8,175,638)</u>	<u>(6,811,916)</u>
<b>Selling and distribution</b>	<u>(8,612,408)</u>	<u>(8,202,294)</u>	<u>(2,857,883)</u>	<u>(2,693,043)</u>
	<u>(32,425,608)</u>	<u>(26,595,671)</u>	<u>(11,033,521)</u>	<u>(9,504,959)</u>
<b>Operating Profit/(Loss) For The period</b>	32,382,075	14,357,000	15,708,849	4,722,855
<b>Other Operating Income</b>	--	760,162	--	--
<b>Other Operating Expenses</b>	--	--	--	--
<b>Finance Cost</b>	<u>(3,081,872)</u>	<u>(1,316,148)</u>	<u>(1,019,013)</u>	<u>(598,488)</u>
<b>Profit/ (Loss) before taxation</b>	29,300,203	13,801,014	14,689,836	4,124,367
<b>Taxation</b>	<u>(8,228,792)</u>	<u>(3,762,626)</u>	<u>(4,362,773)</u>	<u>(1,196,066)</u>
<b>Profit/ (loss)for the period</b>	<u>21,071,411</u>	<u>10,038,388</u>	<u>10,327,063</u>	<u>2,928,301</u>
<b>Earning/(loss) per share</b>	3.51	1.67	1.72	0.48

Chief Financial Officer

Director

Chief Executive

Chief Financial Officer

Director



**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED MARCH 31, 2020**

(UN-AUDITED)

9 Months EndedQuarter Ended

	31 Mar. 2020	31 Mar. 2019	31 Mar. 2020	31 Mar. 2019
	Rupees	Rupees	Rupees	Rupees
<b>Profit/(Loss) after Taxation</b>	21,071,411	10,038,388	10,327,063	2,928,301
<b>Other Comprehensive Profit/(Loss)</b>	--	--	--	--
<b>Total Comprehensive Profit/(Loss) for the Period</b>	<u>21,071,411</u>	<u>10,038,388</u>	<u>10,327,063</u>	<u>2,928,301</u>

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



**INTERIM CONDENSED STATEMENT OF CASH FLOW (UN-AUDITED)  
AS AT MARCH 31, 2020**

	MARCH 31,2020 Rupees	MARCH 31,2019 Rupees
<b>cash flow from operating activities</b>		
Profit/(Loss) before taxation	29,300,203	13,801,014
<b>Adjustment of non-Cash items.</b>		
Depreciation.	3,218,616	2,221,036
Financial Charges	3,081,872	1,316,148
Profit on sale of fixed assets	--	(760,162)
	<u>6,300,488</u>	<u>2,795,781</u>
Profit before working capital changes	35,600,691	16,578,036
<b>Effect of working capital changes</b>		
(Increase) /Decrease in store, spare and loose tools	(219,475)	(308,184)
(Increase) /Decrease in stock in trade	5,009,414	139,908
(Increase) /Decrease in trade debts	(38,475,557)	(9,237,832)
	1,532,584	(95,080)
(Increase)/Decrease in advances, deposit and Prepayments	3,461,630	1,008,206
Increase/(Decrease) in creditors accrued and other Liabilities	(417,129)	2,001,367
(Increase) /Decrease in Unclaimed dividend	(29,108,533)	(6,491,615)
Financial charges paid	(2,555,735)	(977,833)
Tax paid	(3,733,130)	(10,796,645)
	<u>(6,288,865)</u>	<u>(11,774,478)</u>
<b>Net cash used in operating activities A</b>	<b>203,293</b>	<b>(1,688,057)</b>
<b>Cash flow from investing activities:</b>		
Fixed Capital expenditure	(3,403,738)	(5,434,000)
Long term deposits	(187,000)	324,000
Sale proceeds of assets disposed off	--	950,000
<b>Net Cash generated from investing activities B</b>	<b>(3,590,738)</b>	<b>(4,160,000)</b>
<b>Cash flow from financing activities</b>		
(Repayment) / proceeds of lease obligation	(886,303)	(1,664,895)
(Repayment)/ proceeds of short term finances	4,851,147	2,329,188
Dividend paid	--	(4,500,000)
<b>Net cash generated from financing activities C</b>	<b>3,964,844</b>	<b>(3,835,707)</b>
<b>Net increase/ (Decrease) in cash and cash Equivalents A+B+C</b>	<b>577,399</b>	<b>(9,683,764)</b>
<b>Cash and cash Equivalents at beginning of the Period</b>	<b>11,268,668</b>	<b>21,543,007</b>
<b>Cash and cash Equivalents at end of the period</b>	<b><u>11,846,067</u></b>	<b><u>11,859,243</u></b>

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 2020**

	Share Capital	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
Final Dividend for the year 2018	--	--	(4,500,000)	(4,500,000)
Profit for the period ended 31 Dec. 2018	--	--	<u>7,110,087</u>	<u>7,110,087</u>
Balance at				
31 Dec. 2018	60,000,000	30,000,000	40,021,629	130,021,629
Profit for the period ended 30 June 2019	--	--	<u>11,543,370</u>	<u>11,543,370</u>
Balance at				
30 June 2019	60,000,000	30,000,000	51,564,999	141,564,999
Profit for the period ended 31 Dec. 2019	--	--	<u>10,744,348</u>	<u>10,744,348</u>
Balance at				
31 Dec. 2019	60,000,000	30,000,000	62,309,347	152,309,347
Profit for the period ended 31 Mar. 2020	--	--	<u>10,327,063</u>	<u>10,327,063</u>
<b>Balance at 31 Mar. 2020</b>	<b>60,000,000</b>	<b>30,000,000</b>	<b>72,636,410</b>	<b>162,636,4107</b>

  
 Chief Executive

  
 Chief Financial Officer

  
 Director


**SARDAR CHEMICAL INDUSTRIES LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED MARCH 31, 2020 (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**

**2.1 Statement of compliance**

This condensed interim financial report of the Company for the Third Quarter ended on 31 March 2020 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.

**2.2 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.

**2.3 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 2019.

**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 2019.

**5. DATE OF AUTHORIZATION**

This condensed interim financial information was approved by the Board of Directors and for issue on 29<sup>th</sup> April, 2020.

**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