



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. Iftikhar Ahmed Khan Mrs. Mona Mahmood Mrs. Reema Ayaz
Audit Committee	Mr. Iftikhar Ahmed Khan Mrs. Mona Mahmood Mrs. Reema Ayaz
COMPANY SECRETARY	Mr. Niaz Ahmed Chughtai
AUDITORS	Aslam Malik & Co., Chartered Accountants
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 Fax: (042) 35856489 E-Mail: sarchem@brain.net.pk Web Site: www.sardarchem.com
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:042-35839182,35887262 Fax:042-35869037

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

The Directors of the SARDAR CHEMICAL INDUSTRIES LIMITED are pleased to present their report along with un-audited financial statements for the Last Quarter ended on March 31, 2014.

SUMMARY OF RESULTS FOR THE QUARTER ARE AS UNDER:

	2014	2013
	(Rupees in thousands)	
Sales-Net	57,027	46,691
Cost & Expenditures	56,827	45,051
Profit/(Loss) before taxation	200	1,640
Profit/(Loss) after taxation	130	1,066

There is an increase of 22% in net sales but the profits were considerably decreased as compared to the same quarter of the last year. In fact this increase in net sales was due to increase in prices of our finished goods attached with the increase in the prices of raw materials due to heavy uncertain increase in price of US Dollar and pollution problems worldwide created shortage of raw materials in the world increased the prices of raw materials rapidly which enhanced our cost of Raw Materials and manufacturing cost.

This quarter passed was very hard for the Company due to energy crisis, law and order situation especially in Karachi and high rising prices of our raw materials worldwide.

FUTURE PROSPECTS

The Company will continue to focus on quality products meeting with the international standards and remedial measures will be taken to put the company on the path of profitability with consistency in production and supply.

ACKNOWLEDGEMENT

The board is pleased to acknowledge the loyalty and efforts of the management, staff and workers of the Company.

For and on behalf of the Board

Chief Executive

Lahore
April 26, 2014.

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

	9 Months	12 Months
	March 31, 2014	June 30, 2013
	Rupees	Rupees
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised:		
10,000,000 (2014:10,000,000) Ordinary Shares of Rs. 10/- each.	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up:		
6,000,000 (2014: 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>14,099,767</u>	<u>12,806,193</u>
	104,099,767	102,806,193
NON- CURRENT LIABILITIES		
OBLIGATION UNDER FINANCE LEASE	6,800,299	7,957,758
Deferred Taxation	314,721	314,721
CURRENT LIABILITIES & PROVISION		
Current maturity & overdue amounts	1,754,362	2,267,214
Short term finance	31,222,465	30,537,749
Creditors, accrued and other liabilities	8,604,262	8,759,295
Provision for taxation	2,046,281	1,349,741
Mark up Accrued	888,376	939,314
	<u>44,515,746</u>	<u>43,853,313</u>
	<u>155,730,533</u>	<u>154,931,985</u>

Chief Executive



AS AT MARCH 31, 2014

	9 Months March 31, 2014 Rupees	12 Months JUNE 30, 2013 Rupees
PROPERTY AND ASSETS		
FIXED ASSETS		
NON-CURRENT ASSETS		
Operating fixed assets	25,776,554	28,881,068
Long Term deposits	2,482,300	2,482,300
	28,258,854	31,363,368
CURRENT ASSETS		
Stores, spares & loose tools	527,734	467,382
Stock in trade	22,840,117	28,513,411
Trade debts	75,900,103	71,086,397
Advances, deposits, prepayments & other receivables	1,230,502	2,468,599
Tax Due from Government	21,131,466	15,943,025
Cash & bank balances	5,841,757	5,089,803
	127,471,679	123,568,617
	155,730,533	154,931,985

Director



INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

(UN-AUDITED)

FOR THE THIRD QUARTER ENDED MARCH 31, 2014

	9 Months Ended		Quarter Ended	
	31 March. 2014 Rupees	31 March. 2013 Rupees	31 March 2014 Rupees	31 March 2013 Rupees
Sales	144,857,883	130,927,117	57,026,768	46,691,168
Cost of Sales	120,188,113	103,587,744	49,282,359	35,382,942
Gross Profit	24,669,770	27,339,373	7,744,409	11,308,226
OPERATING EXPENSES				
Administrative	12,453,855	12,229,751	4,094,206	5,020,185
Selling and distribution	6,972,582	7,342,160	2,356,282	2,886,114
Other Operating Expenses	30,451	39,480	0	9,809
Other Operating Income	(548,154)	541,704	(120,000)	16,204
	18,908,734	19,069,687	6,330,488	7,899,904
Operating Profit/(Loss) for the period	5,761,036	8,269,686	1,413,921	3,408,322
Finance Cost	3,770,922	4,533,453	1,213,434	1,768,633
Profit/(Loss) before taxation	1,990,114	3,736,233	200,487	1,639,689
Taxation	(696,540)	(1,307,682)	(70,171)	573,892
Profit/(Loss) for the period	1,293,574	2,428,551	130,316	1,065,797
Earning/(loss) per share	0.22	0.40	0.03	0.17

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CASH FLOW (UN-AUDITED)
AS AT MARCH 31, 2014**

	MARCH 31,2014 Rupees	MARCH 31,2013 Rupees
Cash flow from operating activities:		
Cash generated from operation	9,831,552	14,060,397
Financial charges paid	(3,821,860)	(4,569,848)
Long term deposits	0	(658,900)
Tax paid	(4,772,142)	(2,826,684)
	<u>(8,594,002)</u>	<u>(8,055,432)</u>
Net cash inflow from operating activities	1,237,550	6,004,965
Cash flow from investing activities:		
Fixed Capital expenditure	0	(67,000)
Sale proceeds of assets disposed off	500,000	571,500
Net Cash Inflow/(outflow) from investing activities	500,000	504,500
	<u>1,737,550</u>	<u>6,509,465</u>
Cash from financing activities		
(Repayment) / proceeds of lease obligation	(1,670,312)	(2,159,568)
(Repayment) / proceeds of short term finances	684,716	(5,617,297)
Net cash (out flow) / inflow from activities	(985,596)	(7,776,865)
Net increase/ (Decrease) in cash and cash Equivalents	751,954	(1,267,400)
Cash and cash Equivalents at beginning of the period	5,089,803	4,934,451
Cash and cash Equivalents at end of the period	5,841,757	3,667,051
CASH GENERATED FROM OPERATION		
Profit/(Loss) before taxation	1,990,114	3,736,233
Add/(Less) adjustment of non-Cash items.		
Depreciation.	3,032,669	3,656,265
Financial Charges	3,770,922	4,533,453
(Profit) / Loss on sale of fixed assets	(428,154)	(539,431)
	<u>6,375,437</u>	<u>7,650,287</u>
Profit before working capital changes	8,365,551	11,386,520
Effect of cash flow due to working capital change		
(Increase) /Decrease in store, spare and loose tools	(60,352)	(139,133)
(Increase) /Decrease in stock in trade	5,673,294	4,727,932
(Increase) /Decrease in trade debts	(4,813,706)	(407,192)
	<u>1,238,097</u>	<u>(923,691)</u>
(Increase)/Decrease in advances, deposit and Prepayments	1,238,097	(923,691)
Increase/(Decrease) in creditors accrued and other Liabilities	(571,332)	(584,039)
	<u>1,466,001</u>	<u>2,673,877</u>
	<u>9,831,552</u>	<u>14,060,397</u>

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2014.**

	Share Capital	Share Premium	Un-appropriated Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 th June 2012	60,000,000	30,000,000	9,223,669	99,223,669
Profit/(Loss) for the year ended				
30 June. 2013	---	---	<u>3,582,524</u>	<u>3,582,524</u>
Balance at				
30 June. 2013	60,000,000	30,000,000	12,806,193	102,806,193
Profit/(Loss) for the period ended				
31 Dec 2013	---	---	<u>1,163,258</u>	<u>1,163,258</u>
Balance at				
31 Dec 2013	60,000,000	30,000,000	13,969,451	103,969,451
Profit/(Loss) for the period ended				
31 March. 2014	---	---	<u>130,316</u>	<u>130,316</u>
Balance at				
31 March. 2014	60,000,000	30,000,000	14,099,767	104,099,767

**NOTES TO THE ACCOUNTS
THIRD QUARTER ENDED MARCH 31, 2014**

- 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 30/06/2013
- 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