



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 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, 2013.

RESULTS FOR THE QUARTER ARE SUMMARIZED AS UNDER:

	<u>2013</u>	<u>2012</u>
	(Rupees in thousands)	
Sales-Net	46,691	40,647
Cost & Expenditures	45,051	39,373
Other Income	---	512
Profit/(Loss) before taxation	1,640	1,786
Profit/(Loss) after taxation	1,066	1,161

The Company has been successful in increasing its Net Sales by 14.87% over the same quarter of the last year in spite of the severe energy shortage in the country, along with high inflationary trend the prices of Raw Materials, Fuels and others. The Textile dyes has contributed major share as compared to the corresponding quarter. The Company has earned profit of Rs. 1.066 (M) after taxation as compared to the last quarter's profit of Rs. 1.161 (M) as being tough competition in the textile sector.

FUTURE PROSPECTS

Exorbitant increasing trend of US Dollar and temporary closure of chemical factories of China, the prices of our raw materials has increased proportionately. Due to these facts the Company forecast the remaining period difficult.

The Company will continue to focus on quality products meeting with international standards and remedial measures to put the Company towards sustainable profitability with consistency in production and supply.

ACKNOWLEDGMENT

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

For and on behalf of the Board

Chief Executive

Lahore
April 30, 2013.

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

	9 Months March 31, 2013 Rupees	12 Months June 30, 2012 Rupees
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised:		
10,000,000 (2012:10,000,000) Ordinary Shares of Rs. 10/- each.	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up:		
6,000,000 (2012: 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>11,652,220</u>	<u>9,223,669</u>
	101,652,220	99,223,669
NON- CURRENT LIABILITIES		
OBLIGATION UNDER FINANCE LEASE	8,588,621	3,247,023
Deferred Taxation	255,061	255,061
CURRENT LIABILITIES & PROVISION		
Current maturity & overdue amounts	2,190,452	988,119
Short term finance	31,708,837	37,326,134
Creditors, accrued and other liabilities	8,939,869	9,227,172
Provision for taxation	11,723,376	10,415,694
Mark up Accrued	971,856	1,008,251
	<u>55,534,390</u>	<u>58,965,370</u>
	<u>166,030,292</u>	<u>161,691,123</u>

Chief Executive



AS AT MARCH 31, 2013

	9 Months March 31, 2013 Rupees	12 Months JUNE 30, 2012 Rupees
PROPERTY AND ASSETS		
FIXED ASSETS		
NON-CURRENT ASSETS		
Operating fixed assets	30,123,198	25,041,033
Long Term deposits	2,482,300	1,823,400
	32,605,498	26,864,433
CURRENT ASSETS		
Stores, spares & loose tools	850,345	711,212
Stock in trade	27,400,950	32,128,882
Trade debts	74,024,677	73,617,485
Advances, deposits, prepayments & other receivables	3,083,032	2,159,341
Tax Due from Government	24,398,739	21,275,319
Cash & bank balances	3,667,051	4,934,451
	133,424,794	134,826,690
	166,030,292	161,691,123

Director



INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

(UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2013

	9 Months Ended		Quarter Ended	
	31 March. 2013 Rupees	31 March. 2012 Rupees	31 March 2013 Rupees	31 March 2012 Rupees
Sales	130,927,117	114,607,731	46,691,168	40,647,203
Cost of Sales	103,587,744	92,173,931	35,382,942	33,009,350
Gross Profit	27,339,373	22,433,800	11,308,226	7,637,853
OPERATING EXPENSES				
Administrative	12,229,751	10,948,704	5,020,185	3,901,627
Selling and distribution	7,342,160	6,157,685	2,886,114	2,069,578
Other Operating Expenses	39,480	26,730	9,809	21,449
Other Operating Income	541,704	775,235	16,204	512,297
	19,069,687	16,357,884	7,899,904	5,480,357
Operating Profit/(Loss) for the period	8,269,686	6,075,916	3,408,322	2,157,496
Finance Cost	4,533,453	1,792,103	1,768,633	371,135
Profit/(Loss) before taxation	3,736,233	4,283,813	1,639,689	1,786,361
Taxation	(1,307,682)	(1,499,335)	573,892	625,227
Profit/(Loss) for the period	2,428,551	2,784,478	1,065,797	1,161,134
Earning/(loss) per share	0.40	0.46	0.17	0.19

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CASH FLOW (UN-AUDITED)
AS AT MARCH 31, 2013**

	MARCH 31,2013 Rupees	MARCH 31,2012 Rupees
Cash flow from operating activities:		
Cash generated from operation	14,060,397	7,519,841
Financial charges paid	(4,569,848)	(2,253,314)
Long term deposits	(658,900)	691,800
Tax paid	(2,826,684)	(1,260,386)
	<u>(8,055,432)</u>	<u>(2,821,900)</u>
Net cash inflow from operating activities	6,004,965	4,697,941
Cash flow from investing activities:		
Fixed Capital expenditure	(67,000)	--
Sale proceeds of assets disposed off	571,500	951,000
Net Cash Inflow/(outflow) from investing activities	504,500	951,000
	<u>6,509,465</u>	<u>5,648,941</u>
Cash from financing activities		
(Repayment) / proceeds of lease obligation	(2,159,568)	(2,365,396)
(Repayment)/ proceeds of short term finances	(5,617,297)	(7,461,426)
Net cash (out flow) / inflow from activities	(7,776,865)	(9,826,822)
Net increase/ (Decrease) in cash and cash Equivalents	(1,267,400)	(4,177,881)
Cash and cash Equivalents at beginning of the period	4,934,451	9,283,533
Cash and cash Equivalents at end of the period	3,667,051	5,105,652
CASH GENERATED FROM OPERATION		
Profit/(Loss) before taxation	3,736,233	4,283,813
Add/(Less) adjustment of non-Cash items.		
Depreciation.	3,656,265	2,748,406
Financial Charges	4,533,453	1,792,103
(Profit)/ Loss on sale of fixed assets	(539,431)	(775,235)
	<u>7,650,287</u>	<u>3,765,274</u>
Profit before working capital changes	11,386,520	8,049,087
Effect of cash flow due to working capital change		
(Increase) /Decrease in store, spare and loose tools	(139,133)	38,931
(Increase) /Decrease in stock in trade	4,727,932	4,531,164
(Increase) /Decrease in trade debts	(407,192)	(5,121,197)
(Increase)/Decrease in advances, deposit and Prepayments	(923,691)	215,323
Increase/(Decrease) in creditors accrued and other Liabilities	(584,039)	(193,467)
	<u>2,673,877</u>	<u>(529,246)</u>
	<u>14,060,397</u>	<u>7,519,841</u>

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2013.**

	Share Capital	Share Premium	Un-appropriated Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 th June 2011	60,000,000	30,000,000	4,919,879	94,919,879
Profit/(Loss) for the year ended				
30 June. 2012	--	--	<u>4,303,790</u>	<u>4,303,790</u>
Balance at				
30 June. 2012	60,000,000	30,000,000	9,223,669	99,223,669
Profit/(Loss) for the period ended				
31 Dec 2012	--	--	<u>1,362,754</u>	<u>1,362,754</u>
Balance at				
31 Dec 2012	60,000,000	30,000,000	10,586,423	100,586,423
Profit/(Loss) for the period ended				
31 March. 2012	--	--	<u>1,065,797</u>	<u>1,065,797</u>
Balance at				
31 March. 2013	60,000,000	30,000,000	11,652,220	101,652,220

**NOTES TO THE ACCOUNTS
THIRD QUARTER ENDED MARCH 31, 2013**

- 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 30/06/2012
- 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