



**COMPANY INFORMATION**

CHIEF EXECUTIVE DIRECTORS Sardar Mahmood Sadiq  
 Mr. Shahid Aziz (NIT Nominee)  
 Sardar Ayaz Sadiq  
 Mr. Fayaz Ahmed Khan  
 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 Commercial Bank Ltd.  
 Muslim Commercial Bank Ltd.

LEGAL ADVISORS Mr. Javaid Iqbal Malik, Advocate

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**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 half year ended on December 31, 2012, subject to limited review of the Auditors of the Company.

**SUMMARY OF RESULTS FOR THE HALF YEAR ARE AS UNDER:**

	<u>2012</u>	<u>2011</u>
	(Rupees in thousands)	
Sales-Net	84,236	73,960
Cost & Expenditures	82,140	71,463
Profit/(Loss) before taxation	2,096	2,497
Profit/(Loss) after taxation	1,363	1,623

There is an increase of 13% in net sales as compared to the half year ended on 31-12-2011 but there is a decrease of 19% in the profit after taxation as compared to the last half year, which was due to increase in financial cost because of with drawl of subsidy. The Company has to face severe shortage of electricity and sui gas during period along with increase in price of US Dollar which enhanced our cost of Raw Materials.

These six months passed were very hard for the Company due to energy crisis and law and order situation especially in Karachi.

**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

**Lahore**  
 February 23, 2013

**Sardar Mahmood Sadiq**  
 Chief Executive

**Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information****Introduction**

We have reviewed the accompanying condensed interim Balance Sheet of **Sardar Chemical Industries Limited** (The Company) as at December 31, 2012 and the related condensed interim Profit & Loss Account, condensed interim statement of comprehensive income, condensed interim Cash flow Statement and condensed interim Statement of Changes in Equity together with the Notes forming part thereof (here-in-after referred to as the "interim financial information") for the six months period then ended. Management is responsible for the preparation and presentation of the interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410. "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Accompanying interim financial information as at and for the six months period ended December 31, 2012 is not prepared, in all material respect, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the three months period ended December 31, 2012 and December 31, 2011 in the interim financial information have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the six months period ended December 31, 2012.

Date: February 23, 2013

Place: Lahore

(Aslam Malik & Co.)  
Chartered Accountants  
Mohammad Aslam Malik

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

	(Un-audited) Dec 31, 2012 Rupees	(Audited) June 30, 2012 Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorised:</b>		
10,000,000 (2012:10,000,000) Ordinary Shares of Rs. 10/- each.	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, Subscribed and Paid-up:</b>		
6,000,000 (2012: 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)	<u>10,586,423</u>	<u>9,223,669</u>
	<b>100,586,423</b>	99,223,669
<b>NON-CURRENT LIABILITIES</b>		
OBLIGATION UNDER FINANCE LEASE	<b>9,259,987</b>	3,247,023
DEFERRED TAXATION	<b>255,061</b>	255,061
<b>CURRENT LIABILITIES</b>		
Current maturity of long term obligation	<b>2,097,116</b>	988,119
Short term finance	<b>34,314,068</b>	37,326,134
Creditors, accrued and other liabilities	<b>8,762,088</b>	9,227,172
Provision for taxation	<b>11,149,485</b>	10,415,694
Markup Accrued	<b>865,110</b>	1,008,251
	<b>57,187,867</b>	58,965,370
	<u><b>167,289,338</b></u>	<u>161,691,123</u>

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

Chief Executive



SARDAR CHEMICAL INDUSTRIES LIMITED

AS AT DECEMBER 31, 2012

	(Un-audited) Dec 31,2012 Rupees	(Audited) June 30,2012 Rupees
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property: Plant and Equipment	32,011,712	25,041,033
<b>LONG TERM DEPOSITS</b>	2,482,300	1,823,400
<b>CURRENT ASSETS</b>		
Stores, spares & loose tools	819,345	711,212
Stock in trade	34,031,328	32,128,882
Trade debts	69,972,075	73,617,485
Advances, deposits, prepayments & other receivables	1,391,530	2,159,341
Tax due from Government	24,133,491	21,275,319
Cash & bank balances	2,447,557	4,934,451
	132,795,326	134,826,690
	<b>167,289,338</b>	<b>161,691,123</b>

Director



SARDAR CHEMICAL INDUSTRIES LIMITED

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT  
FOR THE HALF-YEAR ENDED DECEMBER 31, 2012

	(UN-AUDITED) Half Year Ended		Quarter Ended	
	31 Dec. 2012 Rupees	31 Dec. 2011 Rupees	31 Dec. 2012 Rupees	31 Dec. 2011 Rupees
<b>Sales</b>	84,235,949	73,960,528	42,784,855	39,794,439
<b>Cost of Sales</b>	68,204,802	59,164,581	35,513,688	32,393,086
<b>Gross Profit</b>	16,031,147	14,795,947	7,271,167	7,401,353
<b>OPERATING EXPENSES</b>				
Administrative	7,209,566	7,047,077	3,710,803	3,565,769
Selling and distribution	4,456,046	4,088,107	2,295,649	2,124,133
Other Operating Expenses	29,671	5,281	--	--
Other Operating Income	525,500	262,938	--	262,938
	11,169,783	10,877,527	6,006,452	5,426,964
Operating Profit/(Loss) For				
The period	4,861,364	3,918,420	1,264,715	1,974,389
Finance Cost	2,764,820	1,420,968	1,493,771	1,439,028
Profit/ (Loss) before taxation	2,096,544	2,497,452	(229,056)	535,361
Taxation	733,790	874,108	80,170	187,376
Profit/ (loss)for the period	1,362,754	1,623,344	(148,886)	347,985
Earning/(loss) per share	0.23	0.27	(0.02)	0.06

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CASH FLOW (UN-AUDITED)  
AS AT DECEMBER 31, 2012**

	DEC 31,2012 Rupees	DEC 31,2011 Rupees
<b>Cash flow from operating activities:</b>		
Cash generated from operation	7,795,591	8,435,552
Financial charges paid	(2,907,961)	(1,632,320)
Long term deposits	(658,900)	691,800
Tax paid	(2,672,021)	(992,529)
	<u>(6,238,882)</u>	<u>(1,933,049)</u>
<b>Net cash inflow from operating activities</b>	<b>1,556,709</b>	<b>6,502,503</b>
<b>Cash flow from investing activities:</b>		
Fixed Capital expenditure	550,000	361,000
Sale proceeds of assets disposed off	550,000	361,000
<b>Net Cash (outflow) from investing activities</b>	<b>2,106,709</b>	<b>6,863,503</b>
<b>Cash from financing activities</b>		
(Repayment )/ proceeds of lease obligation	(1,581,537)	(2,094,546)
(Repayment)/ proceeds of short term finances	(3,012,066)	(8,937,257)
<b>Net cash (out flow) / inflow from activities</b>	<b>(4,593,603)</b>	<b>(11,031,803)</b>
<b>Net increase/ (Decrease) in cash and cash Equivalents</b>	<b>(2,486,894)</b>	<b>(4,168,300)</b>
<b>Cash and cash Equivalents at beginning of the period</b>	<b>4,934,451</b>	<b>9,283,533</b>
<b>Cash and cash Equivalents at end of the period</b>	<b>2,447,557</b>	<b>5,115,233</b>
<b>CASH GENERATED FROM OPERATION</b>		
Profit/(Loss) before taxation	2,096,544	2,497,452
<b>Add/(Less) adjustment of non-Cash items.</b>		
Depreciation.	1,706,047	1,840,041
Financial Charges	2,764,820	1,420,969
(Profit)/ Loss on sale of fixed assets	(523,227)	(262,938)
	<u>3,947,640</u>	<u>2,998,072</u>
Profit before working capital changes	6,044,184	5,495,524
<b>Effect of cash flow due to working capital change</b>		
(Increase) /Decrease in store, spare and loose tools	(108,133)	(50,278)
(Increase) /Decrease in stock in trade	(1,902,446)	2,834,065
(Increase) /Decrease in trade debts	3,645,410	254,786
	<u>767,811</u>	<u>140,774</u>
(Increase)/Decrease in advances, deposit and Prepayments	767,811	140,774
Increase/(Decrease)in creditors accrued and other liabilities	(651,235)	(239,319)
	<u>1,751,407</u>	<u>2,940,028</u>
	<u>7,795,591</u>	<u>8,435,552</u>

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
AS AT 31 DECEMBER 2012**

	Share Capital	Share Premium	Un-appropriated Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 <sup>th</sup> June 2011	60,000,000	30,000,000	4,919,879	94,919,879
Profit/(Loss) for the period ended				
31 Dec. 2011	---	---	1,623,344	1,623,344
Balance at				
31 Dec. 2011	60,000,000	30,000,000	6,543,223	96,543,223
Profit/(Loss) for the period ended				
30 June 2012	---	---	2,680,446	2,680,446
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	---	---	1,362,754	1,362,754
<b>Balance at</b>				
<b>31 Dec. 2012</b>	<b>60,000,000</b>	<b>30,000,000</b>	<b>10,586,423</b>	<b>100,586,423</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
HALF YEAR ENDED DECEMBER 31, 2012**

- The half yearly un-audited accounts but subject to limited scope review by the auditors are being submitted to the share holders under section 245 of the company ordinance 1984.
- Accounting policies adopted for the preparation of the half yearly 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