



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
HR & REMUNERATION	Mrs. Moona Mehmood Mr. Hameed ud din Mirza Mrs. Reema Ayaz
BANKERS	Allied Bank of Pakistan Ltd. Askari Commercial 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

**FIRST QUARTER 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 first quarter ended on September 30, 2013.

RESULTS FOR THE QUARTER ARE SUMMARIZED AS UNDER:

	<u>2012</u>	<u>2013</u>
	(Rupees in thousands)	
Sales-Net	41,451	39,065
Cost & Expenditures	39,125	38,837
Profit/(Loss) before taxation	2,326	228
Profit/(Loss) after taxation	1,512	148

This quarter was not good for our Company and business sector as well due to rapid increase in the price of USD, the raw material prices also gone up rapidly which stopped the business activities in the market. The sector of our dyes relating to Leather Industries suffered badly due to stoppage of Leather Industries and tanneries to preserve their liquidity for purchase of Raw Hides at the time of Eid Ul Azha. Due to these elements the sales of the Company during this quarter could not achieved the target.

Due to the above factors net sales of the Company dropped by 5.76% as compared to the same quarter of last year and this decrease badly affected the profitability of the Company during the quarter under review.

FUTURE PROSPECTS

Our raw materials are oil based and due to exorbitant increasing trend of oil prices and US Dollar the prices of our raw materials has increased proportionately. Due to shortage of energy in coming months will also affect the business activities badly. Due to these factors the Company forecast the remaining period difficult.

ACKNOWLEDGMENT

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

For and on behalf of the Board

SARDAR MAHMOOD SADIQ
Chief Executive

Lahore

October 30, 2013.

**BALANCE SHEET (UN-AUDITED)**

	3 Months Sep. 30, 2013 Rupees	12 Months June 30, 2013 Rupees
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised:		
10,000,000 (2013:10,000,000) Ordinary Shares of Rs. 10/- each.	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up:		
6,000,000 (2013: 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>12,954,373</u>	<u>12,806,193</u>
	102,954,373	102,806,193
OBLIGATION UNDER FINANCE LEASE	7,442,892	7,957,757
DEFERRED TAXATION	314,721	314,721
CURRENT LIABILITIES & PROVISION		
Current maturity of long term obligation	2,245,444	2,267,214
Short term finance	27,601,055	30,537,749
Creditors, accrued and other liabilities	9,336,510	8,759,295
Provision for taxation	1,429,531	1,349,741
Markup Accrued	674,481	939,314
	<u>41,287,021</u>	<u>43,853,313</u>
	<u>151,999,007</u>	<u>154,931,985</u>

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

Chief Executive



AS AT SEPTEMBER 30, 2013

	3 Months Sep. 30,2013 Rupees	12 Months June 30,2013 Rupees
PROPERTY AND ASSETS		
FIXED ASSETS		
Operating fixed assets	27,866,587	28,881,068
LONG TERM DEPOSITS	<u>2,482,300</u>	<u>2,482,300</u>
	30,348,887	31,363,368
CURRENT ASSETS		
Stores, spares & loose tools	613,134	467,382
Stock in trade	30,542,804	28,513,411
Trade debts	67,804,823	71,086,397
Advances, deposits, prepayments & other receivables	1,814,624	2,468,599
Tax due from Government	17,023,438	15,943,025
Cash & bank balances	3,851,297	5,089,803
	121,650,120	123,568,617
	<u>151,999,007</u>	<u>154,931,985</u>

Director



PROFIT AND LOSS ACCOUNT

(UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

	<u>Three Months Quarter Ended</u>	
	30 SEP. 2013 Rupees	30SEP. 2012 Rupees
Sales	39,065,272	41,451,094
Cost of Sales	<u>31,343,850</u>	<u>32,691,114</u>
Gross Profit	7,721,422	8,759,980
Administrative	3,967,174	3,498,763
Selling and distribution	2,274,877	2,160,397
Other Operating Expenses	17,865	29,671
Other Operating Income	--	525,500
	<u>6,259,916</u>	<u>5,163,331</u>
Operating Profit/(Loss) for the period	1,461,506	3,596,649
Finance Cost	<u>1,233,536</u>	<u>1,271,049</u>
Profit/(Loss) before taxation	227,970	2,325,600
Taxation	<u>(79,790)</u>	<u>(813,960)</u>
Profit/(Loss) for the period	<u><u>148,180</u></u>	<u><u>1,511,640</u></u>
Earning/(loss) per share	0.02	0.25

Chief Executive

Director

STATEMENT OF CASH FLOW (UN-AUDITED)
AS AT SEPTEMBER 30, 2013

	SEPTEMBER 30,2013 Rupees	SEPTEMBER 30,2012 Rupees
Cash flow from operating activities:		
Cash generated from operation	4,703,162	2,994,721
Financial charges paid	(1,498,369)	(1,386,486)
Long term deposits		
Tax paid	(969,968)	(2,108,399)
	(2,468,337)	(3,494,885)
Net cash inflow from operating activities	2,234,825	(500,164)
Cash flow from investing activities:		
Fixed Capital expenditure	--	
Sale proceeds of assets disposed off	--	550,000
Net Cash Inflow/(outflow) from investing activities	--	550,000
	2,234,825	49,836
Cash from financing activities		
(Repayment)/ proceeds of lease obligation	(536,637)	(269,642)
(Repayment)/ proceeds of short term finances	(2,936,694)	(462,215)
Net cash (out flow) / inflow from activities	(3,473,331)	(731,857)
Net increase/ (Decrease) in cash and cash Equivalents	(1,238,506)	(682,021)
Cash and cash Equivalents at beginning of the period	5,089,803	4,934,451
Cash and cash Equivalents at end of the period	3,851,297	4,252,430
CASH GENERATED FROM OPERATION		
Profit/(Loss) before taxation	227,970	2,325,600
Add/(Less) adjustment of non-Cash items.		
Depreciation.	1,014,482	780,496
Financial Charges	1,233,536	1,271,049
(Profit)/ Loss on sale of fixed assets	--	(523,227)
	2,248,018	1,528,318
Profit before working capital changes	2,475,988	3,853,918
Effect of cash flow due to working capital changes		
(Increase) /Decrease in store, spare and loose tools	(145,752)	(24,133)
(Increase) /Decrease in stock in trade	(2,029,393)	(5,230,925)
(Increase) /Decrease in trade debts	3,281,574	4,207,713
(Increase)/Decrease in advances, deposit and Prepayments	653,975	674,208
Increase/(Decrease) in creditors accrued and other Liabilities	466,770	(486,060)
	2,227,174	(859,197)
	4,703,162	2,994,721

Chief Executive

Director

SARDAR CHEMICAL INDUSTRIES LIMITED.
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013.

	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 period ended				
30 Sep.. 2012	--	--	1,511,640	1,511,640
Balance at				
30 Sep.. 2012	60,000,000	30,000,000	10,735,309	100,735,309
Profit/(Loss) for the period ended				
30 June 2013	--	--	2,070,884	2,070,884
Balance at				
30 June 2013	60,000,000	30,000,000	12,806,193	12,806,193
Profit/(Loss) for the period ended				
30 Sep. 2013	--	--	148,180	148,180
Balance at				
30 Sep. 2013	60,000,000	30,000,000	12,954,373	102,954,373

NOTES TO THE ACCOUNTS
QUARTER ENDED SEPTEMBER 30, 2013

- 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 30/06/2013.
- These accounts have been prepared in compliance with the requirement of international accounting standard IAS 34 "Interim Financial Reporting".

Chief Executive

Director