



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. Fayyaz 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 third quarter ended on September 30, 2014.

RESULTS FOR THE QUARTER ARE SUMMERIZED AS UNDER:

	<u>2013</u>	<u>2014</u>
	(Rupees in Thousands)	
Sales-Net	39,065	52,858
Cost & Expenditures	38,837	51,769
Profit/(Loss) before Taxation	228	1,089
Profit/(Loss) after Taxation	148	708

There was increase of 35% in net sales as compared to last year's same quarter ended on 30-09-2013 in spite of the severe political un-rest in the country and high trend in the prices of the Raw Materials, fuels and others. In this quarter our Leather Industries sector plays a good role and adjusted price hike incurred in our finished goods caused due to unprecedentedly increase in prices of our raw materials. The Textile sector shows very slow adjustment of this price hike.

The Company has earned profit of Rs. 708 (M) after taxation as compared to last year's quarter's profit of Rs. 148 (M) as being tough competition in the textile sector.

FUTURE PROSPECTS:

Unprecedented increase in prices of our raw materials was happened due to shifting of chemical factories in China due to pollution problems. Now the purchases have been gone slow at the apprehensions that the prices of raw materials may go down to its original prices. Our customers were also of the opinion that due to decreasing trend in prices of raw materials the prices of finished goods will also go down. This apprehension made the dyes sales slow.

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

For and on behalf of the Board

SARDAR MAHMOOD SADIQ
Chief Executive

Lahore

October 31, 2014.

**BALANCE SHEET (UN-AUDITED)**

	3 Months Sep. 30, 2014 Rupees	12 Months June 30, 2014 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>17,689,036</u>	<u>16,981,120</u>
	107,689,036	106,981,120
OBLIGATION UNDER FINANCE LEASE	6,123,416	6,465,487
DEFERRED TAXATION	415,834	415,834
CURRENT LIABILITIES & PROVISION		
Current maturity of long term obligation	1,324,130	1,492,373
Short term finance	28,356,089	23,963,186
Creditors, accrued and other liabilities	8,908,267	16,542,491
Provision for taxation	3,618,807	3,237,622
Markup Accrued	811,418	704,365
	<u>43,018,711</u>	<u>45,940,036</u>
	<u>157,246,997</u>	<u>159,802,477</u>

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

Chief Executive



AS AT SEPTEMBER 30, 2014

	3 Months Sep. 30,2014 Rupees	12 Months June 30,2014 Rupees
PROPERTY AND ASSETS		
FIXED ASSETS		
Operating fixed assets	23,920,304	24,765,664
LONG TERM DEPOSITS	<u>2,482,300</u>	<u>2,482,300</u>
	26,402,604	27,247,964
CURRENT ASSETS		
Stores, spares & loose tools	680,818	514,203
Stock in trade	21,917,942	23,999,689
Trade debts	76,088,833	77,910,748
Advances, deposits, prepayments & other receivables	599,002	771,369
Tax due from Government	25,443,629	23,594,993
Cash & bank balances	6,114,170	5,763,511
	130,844,393	132,554,513
	<u>157,246,997</u>	<u>159,802,477</u>

Director



PROFIT AND LOSS ACCOUNT

(UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	<u>Three Months Quarter Ended</u>	
	30 SEP. 2014 Rupees	30 SEP. 2013 Rupees
Sales	52,858,621	39,065,272
Cost of Sales	<u>44,450,469</u>	<u>31,343,850</u>
Gross Profit	8,408,152	7,721,422
Administrative	4,068,379	3,967,174
Selling and distribution	2,109,978	2,274,877
Other Operating Expenses	--	17,865
Other Operating Income	--	--
	<u>6,178,357</u>	<u>6,259,916</u>
Operating Profit/(Loss) for the period	2,229,795	1,461,506
Finance Cost	<u>1,140,694</u>	<u>1,233,536</u>
Profit/(Loss) before taxation	1,089,101	227,970
Taxation	<u>(381,185)</u>	<u>(79,790)</u>
Profit/(Loss) for the period	<u>707,916</u>	<u>148,180</u>
Earning/(loss) per share	0.12	0.02

Chief Executive

Director



**STATEMENT OF CASH FLOW (UN-AUDITED)
AS AT SEPTEMBER 30, 2014**

	SEPTEMBER 30,2014 Rupees	SEPTEMBER 30,2013 Rupees
Cash flow from operating activities:		
Cash generated from operation	(764,999)	4,703,162
Financial charges paid	(1,033,641)	(1,498,369)
Long term deposits	--	--
Tax paid	(1,733,291)	(969,968)
	(2,766,932)	(2,468,337)
Net cash inflow from operating activities	(3,531,931)	2,234,825
Cash flow from investing activities:		
Fixed Capital expenditure	--	--
Sale proceeds of assets disposed off	--	--
Net Cash Inflow/(outflow) from investing activities	--	--
	(3,531,931)	2,234,825
Cash from financing activities		
(Repayment)/ proceeds of lease obligation	(510,313)	(536,637)
(Repayment)/ proceeds of short term finances	4,392,903	(2,936,694)
Net cash (out flow) / inflow from activities	3,882,590	(3,473,331)
Net increase/ (Decrease) in cash and cash Equivalents	350,659	(1,238,506)
Cash and cash Equivalents at beginning of the period	5,763,511	5,089,803
Cash and cash Equivalents at end of the period	6,114,170	3,851,297
CASH GENERATED FROM OPERATION		
Profit/(Loss) before taxation	1,089,101	227,970
Add/(Less) adjustment of non-Cash items.		
Depreciation.	845,361	1,014,482
Financial Charges	1,140,694	1,233,536
(Profit)/ Loss on sale of fixed assets	--	--
	1,986,055	2,248,018
Profit before working capital changes	3,075,156	2,475,988
Effect of cash flow due to working capital changes		
(Increase) /Decrease in store, spare and loose tools	(166,615)	(145,752)
(Increase) /Decrease in stock in trade	2,081,747	(2,029,393)
(Increase) /Decrease in trade debts	1,821,915	3,281,574
	172,367	653,975
(Increase)/Decrease in advances, deposit and Prepayments	172,367	653,975
Increase/(Decrease) in creditors accrued and other Liabilities	(7,749,569)	466,770
	(3,840,155)	2,227,174
	(764,999)	4,703,162



Chief Executive



Director



**SARDAR CHEMICAL INDUSTRIES LIMITED.
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014.**

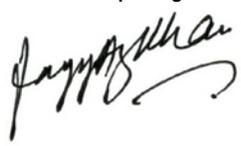
	Share Capital	Share Premium	Un-appropriated Profit/ Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 th June 2013	60,000,000	30,000,000	12,806,193	102,806,193
Profit/(Loss) for the period ended				
30 Sep.. 2013	--	--	148,180	148,180
Balance at				
30 Sep.. 2013	60,000,000	30,000,000	12,954,373	102,954,373
Profit/(Loss) for the period ended				
30 June 2014	--	--	4,026,747	4,026,747
Balance at				
30 June 2014	60,000,000	30,000,000	16,981,120	106,981,120
Profit/(Loss) for the period ended				
30 Sep. 2014	--	--	707,916	707,916
Balance at				
30 Sep. 2013	60,000,000	30,000,000	17,689,036	107,689,036

**NOTES TO THE ACCOUNTS
QUARTER ENDED SEPTEMBER 30, 2014**

- 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 30/06/2014.
- These accounts have been prepared in compliance with the requirement of international accounting standard IAS 34 "Interim Financial Reporting".



Chief Executive



Director