



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.
LEGAL ADVISORS	Mr. Javaid Iqbal Malik, Advocate
HEAD OFFICE/SHARE DEPARTMENT	127/II, C Block, Model Town Lahore. Ph: (042) 35856488, 35856489 Fax: (042) 35856489 E-Mail : sarchem@brain.net.pk Web Site: www.sardarchem.com
REGISTERED OFFICE/ FACTORY	Plot. NO. 29-B, Road No. O1 Gadoon Amazai, industrial Estate, Topi, Ganduf Road, Swabi (NWFP) Ph: (0938) 270792, 270439, 270539 Fax: (0938) 270791



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, 2013, subject to limited review of the Auditors of the Company.

SUMMARY OF RESULTS FOR THE HALF YEAR ARE AS UNDER:

	<u>2013</u>	<u>2012</u>
	(Rupees in thousands)	
Sales-Net	87,831	84,236
Cost & Expenditures	86,041	82,140
Profit/(Loss) before taxation	1,790	2,096
Profit/(Loss) after taxation	1,163	1,363

There is an increase of 4% in net sales as compared to the half year ended on 31-12-2012 but there is a decrease of 17% in the profit after taxation as compared to the last half year, which was due to un predictable increase in price of US Dollar and worldwide pollution problems created shortage of raw materials in the world which increased the prices of our raw materials. The Company also has to face with energy shortage during the period. The market was not able to absorb this price hike. These elements absorbed the profitability of the Company

These six months passed were very hard for the Company due to energy crisis and law and order situation especially in Karachi. However, the management is confident to face all the problems to put the Company on profitable track.

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 28, 2014

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, 2013 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, 2013 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, 2013 and December 31, 2012 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, 2013.

Date: February 28, 2014

Place: Lahore

(Aslam Malik & Co.)

Chartered Accountants

Mohammad Aslam Malik

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

	(Un-audited) Dec 31, 2013 Rupees	(Audited) 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>13,969,451</u>	<u>12,806,193</u>
	103,969,451	102,806,193
NON-CURRENT LIABILITIES		
OBLIGATION UNDER FINANCE LEASE	7,129,529	7,957,757
DEFERRED TAXATION	314,721	314,721
CURRENT LIABILITIES		
Current maturity of long term obligation	2,006,265	2,267,214
Short term finance	27,372,013	30,537,749
Creditors, accrued and other liabilities	9,253,317	8,759,295
Provision for taxation	1,976,110	1,349,741
Markup Accrued	<u>1,041,453</u>	<u>939,314</u>
	41,649,158	43,853,313
	<u>153,062,859</u>	<u>154,931,985</u>

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

Chief Executive



AS AT DECEMBER 31, 2013

	(Un-audited) Dec 31,2013 Rupees	(Audited) June 30,2013 Rupees
ASSETS		
NON-CURRENT ASSETS		
Property: Plant and Equipment	26,787,443	28,881,068
LONG TERM DEPOSITS	2,482,300	2,482,300
CURRENT ASSETS		
Stores, spares & loose tools	670,901	467,382
Stock in trade	24,012,350	28,513,411
Trade debts	73,202,269	71,086,397
Advances, deposits, prepayments & other receivables	1,825,411	2,468,599
Tax due from Government	18,759,963	15,943,025
Cash & bank balances	5,322,222	5,089,803
	123,793,116	123,568,617
	153,062,859	154,931,985

Director

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED DECEMBER 31, 2013

	(UN-AUDITED) Half Year Ended		Quarter Ended	
	31 Dec. 2013 Rupees	31 Dec. 2012 Rupees	31 Dec. 2013 Rupees	31 Dec. 2012 Rupees
Sales	87,831,115	84,235,949	48,765,843	42,784,855
Cost of Sales	70,905,754	68,204,802	39,561,904	35,513,688
Gross Profit	16,925,361	16,031,147	9,203,939	7,271,167
OPERATING EXPENSES				
Administrative	8,359,649	7,209,566	4,392,475	3,710,803
Selling and distribution	4,616,300	4,456,046	2,341,423	2,295,649
Other Operating Expenses	30,451	29,671	12,586	--
Other Operating Income	(428,154)	525,500	(428,154)	--
	12,578,246	11,169,783	6,318,330	6,006,452
Operating Profit/(Loss) For				
The period	4,347,115	4,861,364	2,885,609	1,264,715
Finance Cost	2,557,488	2,764,820	1,323,952	1,493,771
Profit/ (Loss) before taxation	1,789,627	2,096,544	1,561,657	(229,056)
Taxation	626,369	733,790	546,579	80,170
Profit/ (loss)for the period	1,163,258	1,362,754	1,015,078	(148,886)
Earning/(loss) per share	0.19	0.23	0.17	(0.02)

Chief Executive

Director



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

	DEC 31,2013 Rupees	DEC 31,2012 Rupees
Cash flow from operating activities:		
Cash generated from operation	8,984,552	7,795,591
Financial charges paid	(2,455,349)	(2,907,961)
Long term deposits	(2,541,869)	(658,900)
Tax paid	(4,997,218)	(2,672,021)
Net cash inflow from operating activities	3,987,334	1,556,709
Cash flow from investing activities:		
Fixed Capital expenditure	500,000	550,000
Sale proceeds of assets disposed off	500,000	550,000
Net Cash (outflow) from investing activities	4,487,334	2,106,709
Cash from financing activities		
(Repayment)/ proceeds of lease obligation	(1,089,179)	(1,581,537)
(Repayment)/ proceeds of short term finances	(3,165,736)	(3,012,066)
Net cash (out flow) / inflow from activities	(4,254,915)	(4,593,603)
Net increase/ (Decrease) in cash and cash Equivalents	232,419	(2,486,894)
Cash and cash Equivalents at beginning of the period	5,089,803	4,934,451
Cash and cash Equivalents at end of the period	5,322,222	2,447,557
CASH GENERATED FROM OPERATION		
Profit/(Loss) before taxation	1,789,627	2,096,544
Add/(Less) adjustment of non-Cash items.		
Depreciation.	2,021,780	1,706,047
Financial Charges	2,557,488	2,764,820
(Profit)/ Loss on sale of fixed assets	(428,154)	(523,227)
	4,151,114	3,947,640
Profit before working capital changes	5,940,741	6,044,184
Effect of cash flow due to working capital change		
(Increase) /Decrease in store, spare and loose tools	(203,519)	(108,133)
(Increase) /Decrease in stock in trade	4,501,061	(1,902,446)
(Increase) /Decrease in trade debts	(2,115,872)	3,645,410
(Increase)/Decrease in advances, deposit and Prepayments	643,188	767,811
Increase/(Decrease)in creditors accrued and other liabilities	218,953	(651,235)
	3,043,811	1,751,407
	8,984,552	7,795,591

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
AS AT 31 DECEMBER 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				
31 Dec. 2012	--	--	1,362,754	1,362,754
Balance at				
31 Dec. 2012	60,000,000	30,000,000	10,586,423	100,586,423
Profit/(Loss) for the period ended				
30 June 2013	--	--	2,219,770	2,219,770
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	--	--	1,163,258	1,163,258
Balance at				
31 Dec. 2013	60,000,000	30,000,000	13,969,451	103,969,451

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
HALF YEAR ENDED DECEMBER 31, 2013**

- 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 30/06/2013.
- 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