



## 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
COMPANY SECRETARY	Mr. Niaz Ahmed Chughtai
AUDITORS	ICEnet S.K.S.S.S & 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 Board of Directors of SARDAR CHEMICAL INDUSTRIES LIMITED are pleased to present their report along with un-audited financial statements for the half year ended on December 31, 2015, subject to limited review of the Auditors of the Company.

### SUMMARY OF FINANCIAL RESULTS FOR THE HALF YEAR ARE SUMMARIZED AS UNDER:

	2015	2014
	(Rupees in thousands)	
Sales-Net	92,560	100,369
Cost & Expenditures	90,774	99,708
Profit/(Loss) before Taxation	1,786	661
Profit/(Loss) after Taxation	1,196	430

It was noted a decrease of about 8% in net Sales as compared to the previous half year ended on 31-12-2014 but there is recorded increase of 64% in the profit after taxation as compared to the last half year. This upset was happened due to decreased in price of some of our raw materials and adding affects of fluctuating conversion rate of US Dollar with Pak Rupee. The quantity of sales was more or less same as compared to previous half year but the price of finished goods decreased due to decrease in the prices of raw materials. During these price fluctuations days our purchased of raw materials becomes expenses as compared to current international prices of raw materials which depressed our profitability to some extent otherwise we may gain more as compared to present earnings. Due to efficient communications we have to pass on the price gains on our raw materials to our valued customers which depressed the profitability of the Company. Due to some financial policies of the Government the market response is very slow and customers are lifting only its dire needs and business activities in the country is overall dull.

The past six months were good for the industrial production due to decrease in energy crises and improvement in law and order situation in the country. However, the management is confident to put the Company on profitable.

### FUTURE PROSPECTS

The Company will continue to focus on quality products meeting with the international standards and remedial measure 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 their continuing efforts for the well being of the Company.

For and on behalf of the Board

Lahore  
February 28, 2016

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, 2015 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, 2015 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, 2015 and December 31, 2014 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, 2015.

Date: February 28, 2016

Place: Lahore

(ICEnet S.K.S.S.S & Co.)

Chartered Accountants

Mohammad Aslam Malik



## INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)

	(Un-audited) Dec 31,2015 Rupees	(Audited) June 30,2015 Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorised:</b>		
10,000,000 (2015:10,000,000) 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 (2015: 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>21,821,050</u>	<u>20,624,563</u>
	<b>111,821,050</b>	110,624,563
<b>NON-CURRENT LIABILITIES</b>		
OBLIGATION UNDER FINANCE LEASE	<b>6,649,139</b>	4,279,036
DEFFERRED TAXATION	<b>274,219</b>	274,219
<b>CURRENT LIABILITIES</b>		
Current maturity of long term obligation	<b>2,597,663</b>	1,449,405
Short term finance	<b>26,479,269</b>	31,126,859
Creditors, accrued and other liabilities	<b>10,773,844</b>	10,412,142
Markup Accrued	<b>632,700</b>	741,186
	<b>40,483,476</b>	43,729,592
	<u><b>159,227,884</b></u>	<u>158,907,410</u>

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

Chief Executive



SARDAR CHEMICAL INDUSTRIES LIMITED

AS AT DECEMBER 31, 2015

	(Un-audited) Dec 31,2015 Rupees	(Audited) June 30,2015 Rupees
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property: Plant and Equipment	23,671,667	21,205,852
<b>LONG TERM DEPOSITS</b>	<b>2,624,300</b>	1,740,700
<b>CURRENT ASSETS</b>		
Stores, spares & loose tools	814,936	706,003
Stock in trade	30,024,863	32,669,998
Trade debts	62,187,700	68,599,930
Advances, deposits, prepayments & other receivables	703,213	926,732
Taxation-net	29,585,758	26,512,175
Cash & bank balances	9,615,447	6,546,020
	<b>132,931,917</b>	135,960,858
	<b>159,227,884</b>	158,907,410

Director



SARDAR CHEMICAL INDUSTRIES LIMITED

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT  
FOR THE HALF-YEAR ENDED DECEMBER 31, 2015

	(UN-AUDITED) Half Year Ended		Quarter Ended	
	31 Dec. 2015 Rupees	31 Dec. 2014 Rupees	31 Dec. 2015 Rupees	31 Dec. 2014 Rupees
<b>Sales</b>	92,560,420	100,368,652	52,359,232	47,510,031
<b>Cost of Sales</b>	(75,786,539)	(84,488,531)	(44,513,032)	(40,038,062)
<b>Gross Profit</b>	16,773,881	15,880,121	7,846,200	7,471,969
<b>OPERATING EXPENSES</b>				
<b>Administrative</b>	(9,209,714)	(8,589,470)	(4,793,910)	(4,521,091)
<b>Selling and distribution</b>	(4,680,056)	(4,312,535)	(2,298,033)	(2,202,557)
	(13,889,770)	(12,902,005)	(7,091,943)	(6,723,648)
<b>Operating Profit/(Loss) For The period</b>	2,884,111	2,978,116	754,257	748,321
<b>Other Operating Income</b>	835,402		835,402	
<b>Other Operating Expenses</b>	(40,247)	(28,053)	(40,247)	(28,053)
<b>Finance Cost</b>	(1,893,464)	(2,288,637)	(997,517)	(1,147,943)
<b>Profit/ (Loss) before taxation</b>	1,785,802	661,426	551,895	(427,675)
<b>Taxation</b>	(589,315)	(231,499)	(182,126)	149,686
<b>Profit/ (loss)for the period</b>	1,196,487	429,927	369,769	(277,989)
<b>Earning/(loss) per share</b>	0.20	0.07	0.06	(0.05)

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CASH FLOW (UN-AUDITED)  
AS AT DECEMBER 31, 2015**

	DEC 31,2015 Rupees	DEC 31,2014 Rupees
<b>Cash flow from operating activities:</b>		
Cash generated from operation	13,583,442	(597,723)
Financial charges paid	(2,001,950)	(2,087,055)
Long term deposits	(3,331,236)	(3,952,607)
Tax paid	(5,333,186)	(6,039,662)
<b>Net cash inflow from operating activities</b>	<b>8,250,256</b>	<b>(6,637,385)</b>
<b>Cash flow from investing activities:</b>		
Long Term Deposits	(883,600)	741,600
Sale proceeds of assets disposed off	1,250,000	
<b>Net Cash (outflow) from investing activities</b>	<b>366,400</b>	<b>741,600</b>
	<b>8,616,656</b>	<b>(5,895,785)</b>
<b>Cash from financing activities</b>		
(Repayment )/ proceeds of lease obligation	(899,639)	(1,565,275)
(Repayment)/ proceeds of short term finances	(4,647,590)	7,060,489
<b>Net cash (out flow) / inflow from activities</b>	<b>(5,547,229)</b>	<b>5,495,214</b>
<b>Net increase/ (Decrease) in cash and cash Equivalents</b>	<b>3,069,427</b>	<b>(400,571)</b>
<b>Cash and cash Equivalents at beginning of the period</b>	<b>6,546,020</b>	<b>5,763,511</b>
<b>Cash and cash Equivalents at end of the period</b>	<b>9,615,447</b>	<b>5,362,940</b>
<b>CASH GENERATED FROM OPERATION</b>		
Profit/(Loss) before taxation	1,785,802	661,426
<b>Add/(Less) adjustment of non-Cash items.</b>		
Depreciation.	1,503,171	1,690,720
Financial Charges	1,893,464	2,288,637
(Profit)/ Loss on sale of fixed assets	(800,986)	
	2,595,649	3,979,357
Profit before working capital changes	4,381,451	4,640,783
<b>Effect of cash flow due to working capital change</b>		
(Increase) /Decrease in store, spare and loose tools	(108,933)	(144,513)
(Increase) /Decrease in stock in trade	2,645,135	(8,441,211)
(Increase) /Decrease in trade debts	6,412,230	10,099,278
(Increase)/Decrease in advances, deposit and Prepayments	223,519	(99,677)
Increase/(Decrease)in creditors accrued and other liabilities	30,040	(6,652,383)
	9,201,991	(5,238,506)
	13,583,991	(597,723)

Chief Executive

Director



**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
AS AT 31 DECEMBER 2015**

	Share Capital Rupees	Share Premium	Un-appropriated Profit/ (Accumulated Loss)	Rupees Total
Balance at				
30 <sup>th</sup> June 2014	60,000,000	30,000,000	16,981,120	106,981,120
Profit/(Loss) for the period ended				
31 Dec. 2014	--	--	429,927	429,927
Balance at				
31 Dec. 2014	60,000,000	30,000,000	17,411,047	107,411,047
Profit/(Loss) for the period ended				
30 June 2015	--	--	3,213,516	3,213,516
Balance at				
30 June 2015	60,000,000	30,000,000	20,624,563	110,624,563
Profit/(Loss) for the period ended				
31 Dec. 2015	--	--	1,196,487	1,196,487
Balance at				
31 Dec. 2015	60,000,000	30,000,000	21,821,050	111,821,050

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
HALF YEAR ENDED DECEMBER 31, 2015**

- 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 30/06/2015.
- 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