



Spreading goodness of Guar

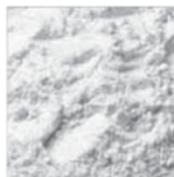
**CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE
1st QUARTER ENDED MARCH 31, 2019**



GUAR SEED



GUAR SPLITS



GUAR GUM



GUAR MEAL

CONTENTS:

Company Information	02
Directors' Report	03
Condensed Interim Statement of Financial Position	05
Condensed Interim Profit or Loss and other Comprehensive Income	06
Condensed Interim Statement of Cash Flow	07
Condensed Interim Statement of Changes In Equity (Unaudited)	08
Notes to the Condensed Interim Financial Information	09

COMPANY INFORMATION

AS ON MARCH 31, 2019

Board of Directors

Muhammad Moonis	Chairman
Shuaib Ahmed	Director/Vice Chairman
Muhammad Aslam Hanafi	Director
Mohammad Ali Hanafi	Director
Ozair Ahmed Hanafi	Director
Tariq Mohamed Amin	Director
Zaeem Ahmad Hanafi	Director
Zahid Zaheer	Director
Zubyr Soomro	Director

Chief Executive

Sajid Iqbal Hussain

Audit Committee

Tariq Mohamed Amin	Chairman
Zaeem Ahmad Hanafi	Member
Zahid Zaheer	Member
Zubyr Soomro	Member

Human Resource & Remuneration (HR&R) Committee

Zahid Zaheer	Chairman
Shuaib Ahmed	Member
Tariq Mohamed Amin	Member
Zubyr Soomro	Member

Chief Financial Officer

Jahanzeb Ashfaq

Company Secretary

Zafar Iqbal

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor

Azizuddin & Co.

Bankers

Askari Bank Limited	Bank Al Habib Limited	JS Bank Limited
Habib Bank Limited	Habib Metropolitan Bank Limited	
MCB Bank Limited	Summit Bank Limited	

Registrar and Share Transfer Office

JWAFFS Registrar Services (Pvt.) Limited
407-408, Al-Ameera Centre
Shahrah-e-Iraq, Saddar
Karachi

Phone: (92-21) 35662023-24

Registered Office

B-19/A, Irshad Qadri Road
S.I.T.E., Karachi-75700
P. O. Box 3639

Phone: (92-21) 32561124-26

Fax: (92-21) 32561320

E-mail: info@pakchem.com.pk

URL: www.pakchem.com.pk

DIRECTORS' REPORT

On behalf of the Board of Directors, We are pleased to present the unaudited condensed interim financial information of the Company for the period ended March 31, 2019.

Business Review

Net sale proceeds during the period under review are Rs. 206.472 million, whereas; during corresponding period, the net sales were Rs.221.598 million. It is worth mentioning here that as seed prices remained high which adversely affected the profit margins, although all other expenditures remained under control.

Pre-tax profit during the period is Rs.2.875 million compared to a loss of Rs.8.139 million in the corresponding period.

Profit after tax is Rs.0.656 million whereas in the corresponding period loss was Rs.10.339 million

Future Outlook

The progress of the Company remained satisfactory. Overhead charges were under control. We are hopeful and endeavoring to improve performance. It largely depends on availability of guar seed at a workable price.

Acknowledgement

We would like to thank all the employees for their hard work under difficult conditions. We also owe a debt of gratitude to all the Board Members for their wise consul and continued support to improve the performance of the Company.

By order of the Board



Sajid Iqbal Hussain
Chief Executive

Karachi: April 25, 2019



Muhammad Moonis
Chairman

ڈائریکٹرز کا جائزہ

ہم بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2019 کو ختم ہونے والے پہلے سہ ماہی کے غیر آڈیٹڈ مالیاتی گوشوارے پیش کر رہے ہیں۔

کاروباری جائزہ

اس مدت کی حتمی فروخت 206.472 ملین روپے رہی جو کہ گزشتہ سال اس دوران 221.598 ملین روپے تھی۔ یہاں اس بات کا ذکر ضروری ہے کہ گوار کے بیجوں کی قیمت میں بتدریج اضافہ ہوتا رہا، جس نے منافع کی شرح کو متاثر کیا، تاہم بالائی لاگت دائرہ اختیار میں رہی۔

کمپنی کو اس سہ ماہی میں ٹیکس کی ادائیگی سے قبل 2.875 ملین روپے کا منافع ہوا جبکہ گزشتہ سال اس دوران 8.139 ملین روپے کا خسارہ ہوا تھا۔

ٹیکس کی ادائیگی کے بعد اس سہ ماہی میں 0.656 ملین روپے کا منافع ہوا جبکہ گزشتہ سال اس دوران 10.339 ملین روپے کا خسارہ ہوا تھا۔

امکانات مستقبل

کمپنی کی کارکردگی تسلی بخش رہی، بالائی اخراجات قابو میں رہے۔ ہم کارکردگی کو مزید بہتر بنانے کے لئے کوشاں ہیں اور یہ سب ممکن ہے اگر گوار کے بیج صحیح اور قابل عمل قیمت پر دستیاب ہوں۔

اعتراف

ہم شکر گزار ہیں تمام ملازمین کا جنہوں نے انتہائی مشکل حالات میں انتھک محنت اور لگن سے کام کیا۔ ہم اپنے تمام بورڈ ممبران کے بھی شکر گزار ہیں جنکے قابل قدر مشوروں کی بدولت ہم اپنی کمپنی کی کارکردگی کو بہتر بنا سکے۔


محمد منیر
چیرمین

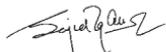

ساجد اقبال حسین
چیف ایگزیکٹو

کراچی: مورخہ 25 اپریل، 2019

Condensed Interim Statement of Financial Position As at March 31, 2019

	Note	Unaudited March 31, 2019	Audited December 31, 2018
Rupees in '000			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	94,544	94,083
CURRENT ASSETS			
Stores and spares		4,716	5,181
Stock in trade	5	262,918	284,924
Trade debts	6	68,635	50,129
Loans and advances		1,278	1,286
Deposits and prepayments		2,146	2,045
Other receivables		11,435	12,284
Short term investments		6,874	104,891
Taxation - net		26,861	25,443
Cash and bank balances		68,591	13,416
		453,454	499,599
TOTAL ASSETS		547,998	593,682
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Share capital			
Authorised			
10,000,000 (2018: 10,000,000) ordinary shares of Rs. 10 each		100,000	100,000
Issued, subscribed and paid-up capital		42,486	42,486
Capital reserves		17,553	17,553
Revenue reserves		280,999	280,343
		341,038	340,382
NON-CURRENT LIABILITIES			
Deferred taxation		2,675	2,645
CURRENT LIABILITIES			
Trade and other payables	7	52,532	98,200
Short term borrowings - secured		150,000	150,000
Unclaimed dividend		1,321	1,321
Mark-up accrued		432	1,134
		204,285	250,655
TOTAL EQUITY AND LIABILITIES		547,998	593,682
CONTINGENCIES AND COMMITMENTS	8		

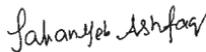
The annexed notes 1 to 14 form an integral part of these financial statements.



Sajid Iqbal Hussain
CHIEF EXECUTIVE



Muhammad Moonis
CHAIRMAN



Jahanzeb Ashfaq
CHIEF FINANCIAL OFFICER

Condensed Interim Profit or Loss and other Comprehensive Income For the 1st Quarter Ended March 31, 2019

	Note	Unaudited March 31, 2019	Unaudited March 31, 2018
Rupees in '000			
Sales - net	9	206,472	221,598
Cost of Sales	10	(185,873)	(212,515)
Gross Profit		20,599	9,083
Administrative expenses	11	(11,478)	(11,877)
Shipping expenses		(7,498)	(8,115)
Other Operating expense		(225)	-
		<u>(19,201)</u>	<u>(19,992)</u>
		1,398	(10,909)
Other income		2,656	4,042
Operating Profit / (Loss) before finance costs		4,054	(6,867)
Finance costs		(1,179)	(1,272)
Profit / (Loss) Before Taxation		2,875	(8,139)
Taxation		(2,219)	(2,200)
Profit / (Loss) for the Period		<u>656</u>	<u>(10,339)</u>
Other comprehensive income		-	-
Total comprehensive Profit / (loss) for the period		656	(10,339)
Profit / (Loss) per share - basic and diluted	12	0.15	(2.43)

The annexed notes 1 to 14 form an integral part of these financial statements.



Sajid Iqbal Hussain
CHIEF EXECUTIVE



Muhammad Moonis
CHAIRMAN



Jahanzeb Ashfaq
CHIEF FINANCIAL OFFICER

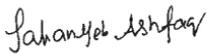
Condensed Interim Statement of Cash Flow For the 1st Quarter Ended March 31, 2019

	Unaudited March 31, 2019	Unaudited March 31, 2018
Rupees in '000		
Cash Flows From Operating Activities		
Profit/(Loss) before taxation for the period	2,875	(8,139)
Adjustments for:		
Depreciation	2,440	2,533
Finance costs	1,179	1,740
(Reversal)/Provision against doubtful debts	(109)	126
Provision for slow moving stores and spares	283	278
Provision for gratuity	420	270
Provision for Pension	15	225
Provision for compensation absences	450	450
Profit / (loss) on financial assets	(1,663)	(1,512)
Loss on disposal of fixed assets	10	-
	5,900	(4,029)
Changes in:		
Stores and spares	183	(2,746)
Stock in trade	22,006	(87,645)
Trade debts	(18,397)	(44,496)
Loans and advances	8	304
Short-term prepayments	(101)	(922)
Other receivables	(647)	(1,288)
Trade and other payables	(46,509)	(1,111)
	(43,457)	(137,904)
Cash used in operations	(37,557)	(141,933)
Income tax paid	(3,607)	(757)
Contribution paid in respect of Gratuity	-	(270)
Contribution paid in respect of Pension	-	(1,045)
Payment in respect of Compensated absences	(30)	(1,138)
Finance costs paid	(1,881)	(1,740)
	(5,518)	(4,950)
Net cash used in operating activities	(43,075)	(146,883)
Cash flows from investing activities		
Capital expenditure	(3,041)	(2,271)
Proceeds from disposal of operating fixed assets	130	-
Interest income received	3,144	1,464
Net cash generated from/(used in) investing activities	233	(807)
Cash flow from financing activities		
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	(42,842)	(147,690)
Cash and cash equivalents at beginning of the period	111,433	237,708
Cash and cash equivalents at end of the period	68,591	90,018

The annexed notes 1 to 14 form an integral part of these financial statements.


Sajid Iqbal Hussain
CHIEF EXECUTIVE

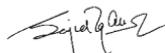

Muhammad Moonis
CHAIRMAN


Jahanzeb Ashfaq
CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes In Equity (Unaudited) For the 1st Quarter Ended March 31, 2019

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Revenue Reserves		Total	
			General	Unapp- ropriated profit/(loss)		Sub total
	-----Rupees'000-----					
Balance as at December 31, 2017	42,486	17,553	462,839	(203,746)	259,093	319,132
Total comprehensive income for the period						
(Loss) for the period	-	-	-	(10,339)	(10,339)	(10,339)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) for the period	-	-	-	(10,339)	(10,339)	(10,339)
Balance as at March 31, 2018	<u>42,486</u>	<u>17,553</u>	<u>462,839</u>	<u>(214,085)</u>	<u>248,754</u>	<u>308,793</u>
Balance as at December 31, 2018	42,486	17,553	462,839	(182,496)	280,343	340,382
Total comprehensive income for the period						
Profit for the period	-	-	-	656	656	656
other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	656	656	656
Balance as at March 31, 2019	<u>42,486</u>	<u>17,553</u>	<u>462,839</u>	<u>(181,840)</u>	<u>280,999</u>	<u>341,038</u>

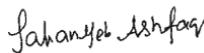
The annexed notes 1 to 14 form an integral part of these financial statements.



Sajid Iqbal Hussain
CHIEF EXECUTIVE



Muhammad Moonis
CHAIRMAN



Jahanzeb Ashfaq
CHIEF FINANCIAL OFFICER

Notes to the Condensed Interim Financial Information For the 1st Quarter Ended March 31, 2019

1. THE COMPANY AND ITS OPERATIONS

Pakistan Gum and Chemicals Limited ("the Company") was incorporated in Pakistan as a public limited company in 1982 under the repealed Companies Act, 1913 (now the Companies Act, 2017) and is quoted on the Pakistan Stock Exchange. The registered office of the Company is located at B-19/A, Irshad Qadri Road, S.I.T.E. Karachi.

The Company is principally engaged in the production and sale of guar gum and its allied products.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the three months ended 31 March 2019 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives of the Companies Act, 2017, have been followed.
- 2.2 This condensed interim financial information of the Company does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended 31 December 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 2.3 This condensed interim financial information is presented in Pakistan Rupees, which is the Company's functional currency
- 2.4 This condensed interim financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 31 December 2018 except for the adoption of new standards effective as of 01 January 2019 as stated below:

IFRS 15 'Revenue from Contracts with Customers'

IFRIC23 'Uncertainty over Income Tax Treatments'

IFRS 9 and amendment – Prepayment Features with Negative Compensation

IFRS 16 'Leases'

Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures

Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement

The above adoptions of new standards and amendments are not likely to have an impact on the Company's condensed interim financial information.

	Unaudited March 31, 2019	Audited December 31, 2018
	Rupees in '000	
4. PROPERTY PLANT & EQUIPMENT		
Operating fixed assets	93,245	91,429
Capital work in progress	1,299	2,654
	<u>94,544</u>	<u>94,083</u>
4.1 Operating fixed assets		
Opening net book value	91,429	99,357
Additions during the period / year	4,396	2,469
	<u>95,825</u>	101,826
Disposals during the period / year	(140)	(440)
Depreciation charged during the period / year	(2,440)	(9,957)
	<u>(2,580)</u>	<u>(10,397)</u>
	<u>93,245</u>	<u>91,429</u>
4.1.1 Additions during the period / year		
Plant and machinery	-	-
Vehicles	4,396	2,271
Computer	-	112
Equipment	-	87
	<u>4,396</u>	<u>2,470</u>
4.1.2. Disposals during the period / year		
Vehicles	(140)	(440)
Equipment	-	-
	<u>(140)</u>	<u>(440)</u>
4.2 Capital work-in-progress		
Balance at beginning of the period / year	2,654	5,058
Additions during the period / year	3,041	2,666
Impairment	-	(2,799)
Transferred to operating fixed assets	(4,396)	(2,271)
	<u>1,299</u>	<u>2,654</u>
5. STOCK IN TRADE		
Raw Material	58,554	79,911
Packing Material	3,092	1,982
Finished goods	201,272	203,031
	<u>262,918</u>	<u>284,924</u>
6. TRADE DEBTS		
Related parties - unsecured		
Orkila Pakistan (Private) Limited	958	677
Secured against letter of credit	65,539	48,699
Unsecured		
Considered good	2,138	753
Considered doubtful	1,518	1,627
Provision against doubtful trade debts	(1,518)	(1,627)
	<u>2,138</u>	<u>753</u>
	<u>68,635</u>	<u>50,129</u>

7. TRADE AND OTHER PAYABLES

Trade creditors - Related parties
- Others

Unaudited
March 31,
2019

Audited
December 31,
2018

Rupees in '000

2,528
16,678
19,206

3,073
63,821
66,894

Accrued liabilities
Compensated absences
Payables to gratuity fund
Provision for bonus
Advance from customers
Workers welfare fund
Workers Profit Participation Fund
Tax deducted at source
Employees' car and motorcycle loan scheme

11,970
4,474
2,718
8,200
1,393
869
1,673
309
1,720
52,532

13,822
4,054
2,298
7,000
1,578
807
1,520
227
-
98,200

7.1 Trade creditors - Related parties

Orkila Pakistan (Private) Limited
Shipwell (Private) Limited
IAL Logistics Pakistan (Private) Limited

1,367
20
1,141
2,528

733
228
2,112
3,073

7.2 Accrued liabilities

Salaries, wages and benefits
Utilities
Gratuity Payable to Contract Employees
Legal and professional charges
Store Purchases
Others

710
5,837
119
1,109
1,090
3,105
11,970

3,201
4,658
104
954
392
4,513
13,822

8. CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies as at March 31, 2019 remains at the same level as reported in the Financial Statement for the year ended December 31, 2018.

Commitments

Commitment for capital expenditure
Letters of guarantee

Unaudited
March 31,
2019

Audited
December 31,
2018

Rupees in '000

-
6,874

3,027
6,874

	Unaudited March 31, 2019	Unaudited March 31, 2018
Rupees in '000		
9. SALES - NET		
Gross Sales		
Local	51,073	37,908
Export	<u>161,876</u>	<u>189,356</u>
	212,949	227,264
Sales Tax	(5,479)	(4,332)
Sales Commission	(938)	(805)
Discounts	(60)	(529)
	<u>(6,477)</u>	<u>(5,666)</u>
	206,472	221,598
10. COST OF SALES		
Raw Material Consumed		
Opening stock	79,911	16,280
Purchases	<u>121,630</u>	<u>253,824</u>
	201,541	270,104
Closing stock	<u>(58,554)</u>	<u>(45,820)</u>
	142,987	224,284
Packing Material Consumed		
Opening stock	1,982	2,232
Purchases	4,851	5,040
Closing stock	<u>(3,092)</u>	<u>(3,180)</u>
	3,741	4,092
	146,728	228,376
Manufacturing Overheads		
Stores and Spares consumed	1,813	1,538
Salaries, wages and benefits	12,191	11,195
Utilities	18,016	21,539
Depreciation	2,088	2,102
Repairs and maintenance	691	498
Handling charges	1,337	2,931
Rent, rates and taxes	4	-
Insurance	237	208
Travelling and conveyance	34	427
Laboratory expenses	584	529
Communication	34	37
Entertainment	-	8
Provision against slow moving store and spares	283	279
Others	74	5
	<u>37,386</u>	<u>41,296</u>
Cost of goods manufactured	184,114	269,672
Opening stock of finished goods	<u>203,031</u>	<u>71,270</u>
	387,145	340,942
Closing stock of finished goods	<u>(201,272)</u>	<u>(128,427)</u>
Cost of goods sold	185,873	212,515

11. ADMINISTRATIVE EXPENSES

	Unaudited March 31, 2019	Unaudited March 31, 2018
Rupees in '000		
Salaries, wages and benefits	7,816	7,337
Utilities	935	1,116
Depreciation	353	431
Sales promotion expenses	462	225
Security service charges	267	280
Repair & maintenance	268	236
Rent rates and taxes	-	32
Insurance	78	52
Travelling & conveyance	3	478
Communication	140	170
Entertainment	125	119
Provision against debts considered doubtful	-	126
Printing & stationary	118	148
Auditors' remuneration	149	184
Subscription	232	316
Legal and professional charges	530	627
	<u>11,478</u>	<u>11,877</u>

12. PROFIT / (LOSS) PER SHARES - BASIC AND DILUTED

	Unaudited March 31, 2019	Unaudited March 31, 2018
Rupees in '000		
Net Profit / (loss) for the period	<u>656</u>	<u>(10,339)</u>
Number of shares		
Weighted average number of ordinary shares outstanding during the period	<u>4,248,552</u>	<u>4,248,552</u>
Rupees		
Profit / (loss) per share - basic and diluted	<u>0.15</u>	<u>(2.43)</u>

13. TRANSACTIONS WITH RELATED PARTIES

Orkila Pakistan (Pvt) Limited - Associated undertaking

-Commission on sale

Unaudited March 31, 2019	Unaudited March 31, 2018
Rupees in '000	
652	445
585	527
173	267
5,954	6,526
1,347	2,062
4,690	4,837
Unaudited March 31, 2019	Audited December 31, 2018
Rupees in '000	
1,367	733
958	677
20	228
1,141	2,112

- Sale of goods

Shipwell (Pvt) Limited - Associated undertaking

-Commission on sale

IAL Logistics Pakistan (Pvt) Limited - Associated undertaking

- Freight forwarding and transportation

Staff retirement

- Contribution to staff retirement funds

Chief Executive Officer, Directors and key management personnel

- Remuneration, honorarium and meetings fee

AMOUNTS OUTSTANDING AT PERIOD / YEAR END

Orkila Pakistan (Pvt) Limited - Associated undertaking

- Payment in respect of commission

- Receivable in respect of sales

Shipwell (Pvt) Limited - Associated undertaking

- Payment in respect of commission

IAL Logistics Pakistan (Pvt) Limited - Associated undertaking

- Payable in respect of shipping expenses

14. DATE OF AUTHORIZATION

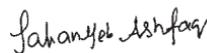
These financial information were authorised for issue in the Board of Directors meeting held on April 25, 2019.



Sajid Iqbal Hussain
CHIEF EXECUTIVE



Muhammad Moonis
CHAIRMAN



Jahanzeb Ashfaq
CHIEF FINANCIAL OFFICER



1963-2019

PAKISTAN GUM & CHEMICALS LIMITED

**B-19/A, IRSHAD QADRI ROAD, SINDH INDUSTRIAL TRADING ESTATE,
KARACHI - 75700, PAKISTAN TEL NO. +92 21 3256 1124-6, FAX NO. +92 21 3256 1320,
EMAIL: INFO@PAKCHEM.COM.PK**