



**PAKISTAN
GUM AND CHEMICALS
LIMITED**



014

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

(UN-AUDITED)



PAKISTAN GUM & CHEMICALS LIMITED

COMPANY INFORMATION

AS ON JUNE 30, 2014

Board of Directors

Mohammad Moonis	<i>Chairman</i>
Shuaib Ahmed	<i>Vice-Chairman</i>
Ozair Ahmed Hanafi	<i>Director</i>
Tariq Mohamed Amin	<i>Director</i>
Mohammed Aslam Hanafi	<i>Director</i>
Mohammad Ali Hanafi	<i>Director</i>
Zaeem Ahmad Hanafi	<i>Director</i>
Zahid Zaheer	<i>Director</i>
Zubyr Soomro	<i>Director</i>

Managing Director / CEO

Ozair Ahmed Hanafi

Audit Committee

Tariq Mohamed Amin	<i>Chairman</i>
Zaeem Ahmad Hanafi	<i>Member</i>
Zahid Zaheer	<i>Member</i>
Zubyr Soomro	<i>Member</i>

Human Resource & Remuneration (HR&R) Committee

Zahid Zaheer	<i>Chairman</i>
Shuaib Ahmed	<i>Member</i>
Tariq Mohamed Amin	<i>Member</i>
Zubyr Soomro	<i>Member</i>

Chief Financial Officer & Company Secretary

Khadim Hussain

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisor

Tahir Ali Tayebi & Co.

Bankers

Askari Bank Limited
Habib Bank Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
Summit Bank Limited
Al-Baraka Bank (Pakistan) Limited

Registrar and Share Transfer Office

Evolution Factor (Private) 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



CHAIRMAN'S REVIEW

On behalf of the Board I present the unaudited accounts for the half year ended June 30, 2014. These accounts have been subjected to limited scope review by our auditors - M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants.

Net sales for the half year ended June 30, 2014 were Rs.688 million as compared to Rs.935 million in the corresponding period of 2013 and net profit decreased to Rs.33 million from Rs.67 million. It may not be out of place to mention that while sales volume increased by 63%, sales value declined by 26%, as a consequence of substantially lower price of guar products in international market.

I am pleased to report that during the period under review two new customers were added to the list of our overseas buyers. Business with another customer in Europe which was dormant due to fluctuating price of guar gum was revived.

Delayed monsoon and so far very little rainfall in the guar growing areas of Sindh have encouraged guar seed stockists/suppliers to slow down seed supply to the market in the hope of higher price in the months to come. Rising price trend of the seed is a cause of concern to the guar industry. The next half year does not look easy, but we will do our utmost to meet this difficult challenge.

I would like to thank all the employees for their hard work under very trying conditions. I also owe a debt of gratitude to the Board Members for their wise counsel and continued support.

Mohammad Moonis
Chairman

Karachi : August 25, 2014



PAKISTAN GUM & CHEMICALS LIMITED

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Pakistan Gum And Chemicals Limited (the Company) as at **30 June 2014**, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and fair presentation of this 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 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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Eni & Young Feroze Khan Siddiqi Hyder

Chartered Accountants

Review Engagement Partner's Name : Omar Mustafa Ansari

Karachi: August 25, 2014



PAKISTAN GUM & CHEMICALS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2014

	Note	June 30, 2014 -----Rs. '000----- (Un-audited)	December 31, 2013 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	145,464	140,924
Long-term deposits		<u>876</u>	<u>862</u>
		146,340	141,786
CURRENT ASSETS			
Stores and spare parts		9,033	8,695
Stock-in-trade	5	344,858	209,761
Trade debts	6	134,246	39,773
Loans and advances		1,640	838
Short-term prepayments		845	409
Other receivables	7	12,857	6,642
Short-term investment		5,360	258,062
Taxation-net		7,809	10,506
Cash and bank balances	8	28,566	3,266
		<u>545,214</u>	<u>537,952</u>
TOTAL ASSETS		<u>691,554</u>	<u>679,738</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
10,000,000 Ordinary shares of Rs.10 each		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up capital		<u>42,486</u>	<u>42,486</u>
Reserves		<u>460,467</u>	<u>448,581</u>
		<u>502,953</u>	<u>491,067</u>
NON-CURRENT LIABILITIES			
Obligations under finance leases		48	644
CURRENT LIABILITIES			
Trade and other payables	9	141,149	186,220
Short-term borrowings	10	45,000	-
Accrued mark-up on short-term borrowings		885	-
Current maturity of obligations under finance leases		1,519	1,807
		<u>188,553</u>	<u>188,027</u>
CONTINGENCIES AND COMMITMENT	11		
TOTAL EQUITY AND LIABILITIES		<u>691,554</u>	<u>679,738</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


Mohammad Moonis
 Chairman


Ozair Ahmed Hanafi
 Chief Executive Officer


Khadim Hussain
 Chief Financial Officer



PAKISTAN GUM & CHEMICALS LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED JUNE 30, 2014
(UN-AUDITED)**

	Note	Half-year ended		Quarter ended	
		June 30 2014	June 30 2013	June 30 2014	June 30 2013
		----- (Rupees in '000) -----			
NET SALES	12	688,457	935,051	333,379	487,278
Cost of sales	13	(593,274)	(811,071)	(285,082)	(410,491)
GROSS PROFIT		95,183	123,980	48,297	76,787
Distribution and shipping costs		(14,144)	(11,154)	(7,100)	(6,392)
Administrative expenses		(27,010)	(25,987)	(14,117)	(12,019)
Other operating expenses		(12,281)	(5,807)	(7,331)	(3,600)
Other operating income		2,541	4,195	392	1,084
		(50,894)	(38,753)	(28,156)	20,927
OPERATING PROFIT		44,289	85,227	20,141	55,860
Finance costs	14	(2,740)	(7,288)	(1,837)	(5,455)
PROFIT BEFORE TAXATION		41,549	77,939	18,304	50,405
Taxation-current	15	(8,420)	(10,465)	(3,920)	(4,835)
NET PROFIT FOR THE PERIOD		33,129	67,474	14,384	45,570
		----- (Rupees) -----			
EARNINGS PER SHARE - Basic and diluted		7.80	15.88	3.39	10.73

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


Mohammad Moonis
Chairman


Ozair Ahmed Hanafi
Chief Executive Officer


Khadim Hussain
Chief Financial Officer



PAKISTAN GUM & CHEMICALS LIMITED

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED JUNE 30, 2014
(UN-AUDITED)**

	<u>Half-year ended</u>		<u>Quarter ended</u>	
	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	----- (Rupees in '000) -----			
Net profit for the period	33,129	67,474	14,384	45,570
Actuarial loss on defined benefit plans	-	(5,801)	-	(2,901)
Total comprehensive income for the period	<u>33,129</u>	<u>61,673</u>	<u>14,384</u>	<u>42,669</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

Mohammad Moonis
Chairman

Ozair Ahmed Hanafi
Chief Executive Officer

Khadim Hussain
Chief Financial Officer



PAKISTAN GUM & CHEMICALS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2014 (UN-AUDITED)

	Note	June 30, 2014	June 30, 2013
		-----Rs. '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		41,549	77,939
Adjustments for:			
Depreciation		5,755	(5,405)
Finance costs		2,740	7,288
Provision for compensated absences		1,500	1,200
Provision for stores and spares		729	714
Interest Income		(1,426)	(3,757)
Gain on sale of property, plant and equipment		(1,115)	(421)
		8,183	(381)
Profit before working capital changes		49,732	77,558
Working capital changes			
(Increase) / decrease in current assets			
Stores and spare parts		(1,067)	(9,109)
Stock-in-trade		(135,097)	(181,868)
Trade debts		(94,473)	(181,558)
Loans and advances		(802)	2,228
Short-term prepayments		(436)	(487)
Other receivables		(6,215)	(2,527)
		(238,090)	(373,321)
Decrease in current liabilities			
Trade and other payables		(45,267)	(6,703)
Cash used in operations		(233,625)	(302,466)
Long term deposits		(14)	-
Income tax paid		(5,722)	(17,153)
Payment in respect of compensated absences		(1,306)	(2,559)
		(7,042)	(19,712)
Net cash used in operating activities		(240,667)	(322,178)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		(11,712)	(33,413)
Proceeds from disposal of fixed assets		2,533	2,215
Realization of short-term investments		252,702	300,000
Interest income received		1,426	7,795
Net cash generated from investing activities		244,949	276,597
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / proceeds from short-term borrowings		45,000	100,000
Dividend paid		(21,243)	(42,246)
Repayment of obligation under finance lease		(884)	(1,584)
Finance cost paid		(1,855)	(3,377)
Net cash generated from financing activities		21,018	52,793
Net increase in cash and cash equivalents		25,300	7,212
Cash and cash equivalents at the beginning of the period		3,266	36,693
Cash and cash equivalents at the end of the period	8	28,566	43,905

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


Mohammad Moonis
Chairman


Ozair Ahmed Hanafi
Chief Executive Officer


Khadim Hussain
Chief Financial Officer



PAKISTAN GUM & CHEMICALS LIMITED

**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED JUNE 30, 2014
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	CAPITAL RESERVE Share premium	REVENUE RESERVES General	Unappro- priated profit	Total
	----- (Rupees in '000) -----				
Balance as at January 01, 2013 (Restated)	42,486	17,553	155,107	241,271	456,417
Final dividend for the year ended December 31, 2012 @ Rs. 10 per Ordinary Share	-	-	-	(42,486)	(42,486)
Transferred to General Reserve	-	-	201,452	(201,452)	-
Net Profit for the half year ended June 30, 2013	-	-	-	67,474	67,474
Other Comprehensive loss	-	-	-	(5,801)	(5,801)
Total Comprehensive Income	-	-	-	61,673	61,673
Balance as at June 30, 2013	<u>42,486</u>	<u>17,553</u>	<u>356,559</u>	<u>59,006</u>	<u>475,604</u>
Balance as at January 01, 2014	42,486	17,553	356,559	74,469	491,067
Final dividend for the year ended December 31, 2013 @ Rs. 5 per Ordinary Share	-	-	-	(21,243)	(21,243)
Transferred to General Reserve	-	-	55,198	(55,198)	-
Net Profit for the half year ended June 30, 2014	-	-	-	33,129	33,129
Other Comprehensive Loss	-	-	-	-	-
Total Comprehensive Income	-	-	-	33,129	33,129
Balance as at June 30, 2014	<u>42,486</u>	<u>17,553</u>	<u>411,757</u>	<u>31,157</u>	<u>502,953</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


Mohammad Moonis
Chairman


Ozair Ahmed Hanafi
Chief Executive Officer


Khadim Hussain
Chief Financial Officer



PAKISTAN GUM & CHEMICALS LIMITED

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED JUNE 30, 2014
(UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a Public Limited Company, under the Companies Ordinance, 1984 (the Ordinance). The shares of the Company are quoted on the Karachi and Lahore Stock exchanges. The Company is principally engaged in the production and sale of guar gum and its allied products. The registered office of the Company is situated at B-19/A, Irshad Qadri Road, S.I.T.E Karachi.

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements of the Company for the half year ended June 30, 2014 have been prepared in accordance with the requirements of the International Accounting Standard 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2013.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2013 other than as follows:

The Company has adopted the following revised standard, amendments, and interpretation of IFRSs which became effective during the current period:

	Effective date (annual periods Beginning on or after)
IAS 32 Offsetting Financial Assets and Financial liabilities (Amendment)	January 01, 2014
IAS 36 Recoverable Amount for Non-Financial Assets (Amendment)	January 01, 2014
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (Amendment)	January 01, 2014
IFRIC 21 Levies	January 01, 2014

The adoption of the above revision, amendments and interpretation of the standards did not have any effect on these condensed interim financial statements.



PAKISTAN GUM & CHEMICALS LIMITED

	Note	June 30, 2014 -----Rs. '000----- (Un-audited)	December 31, 2013 -----Rs. '000----- (Audited)
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	141,703	59,524
Capital work-in-progress	4.2	3,761	81,400
		145,464	140,924
4.1 Operating fixed assets			
Opening net book value		59,524	57,557
Additions during the period / year, including transfers of Rs. 89.352 (December 31, 2013: Rs. 15.774) million transferred from capital work-in-progress	4.1.1	89,352	19,074
		148,876	76,631
Disposals during the period / year	4.1.2	(1,418)	(5,501)
Depreciation charged during the period / year		(5,755)	(11,606)
		(7,173)	(17,107)
		141,703	59,524
4.1.1 Additions during the period / year, including transfers from capital work-in-progress			
Building on leasehold land		33,567	6,112
Plant and machinery		53,543	2,842
Furniture and fixtures		-	3,216
Vehicles		1,654	6,502
Office equipment		588	402
		89,352	19,074
4.1.2 Disposals during the period / year			
Vehicles		1,418	5,501
4.2 Capital work-in-progress			
Balance at the beginning of the period / year		81,400	30,815
Additions during the period / year		11,713	66,359
Transferred to operating fixed assets		(89,352)	(15,774)
		3,761	81,400
5. STOCK-IN-TRADE			
Raw material		216,466	139,340
Packing material		3,187	2,632
Finished goods		125,205	67,789
		344,858	209,761
6. TRADE DEBTS			
Considered good			
Secured-against letters of credit		125,056	33,233
Unsecured		9,190	6,540
		134,246	39,773
7. OTHER RECEIVABLES			
Sales tax - net		7,082	4,670
Employees' Pension Fund		767	767
Employees' Gratuity Fund		811	697
Others		4,197	508
		12,857	6,642



PAKISTAN GUM & CHEMICALS LIMITED

	Note	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
		-----Rs. '000-----	
8. CASH AND BANK BALANCES			
Cash in hand			
Local currency		57	93
Cash at bank in :			
Current accounts			
Local currency		14,934	1,032
Foreign currency		372	784
		15,306	1,816
PLS saving account			
Local currency		13,203	1,357
		<u>28,566</u>	<u>3,266</u>

9. TRADE AND OTHER PAYABLES

Trade			
Creditors		80,378	132,591
Other payables			
Accrued liabilities		22,693	10,099
Provision for compensated absences		2,303	2,109
Bonus to employees		7,663	14,000
Due to Employees' Gratuity Fund		7,629	6,429
Due to Employees' Pension Fund		601	-
Advances from customers		502	93
Workers' Profit Participation Fund		2,224	4,970
Workers' Welfare Fund		11,419	10,576
Tax deducted at source		468	246
Unclaimed dividend		1,984	813
Employees' car and motorcycle loan schemes		3,285	4,294
		60,771	53,629
		<u>141,149</u>	<u>186,220</u>

10. SHORT-TERM BORROWINGS - Secured

Short-term financing			
Export refinance	10.1	45,000	-

10.1 The outstanding balance represents facilities arranged by the Company for short-term financing under export refinance, aggregating to Rs. 260 (December 31, 2013: Rs. 260) million, from two commercial banks on mark-up basis. As at June 30, 2014 the Company has utilised the amount of Rs. 45 million from the facility. The company also had unutilised running finance facility of Rs. 55 million.

The financing is repayable through the realisation of export proceeds / negotiation of export bills within a maximum period of 180 days from the draw-down date. Mark-up is payable upon adjustment of loans or, at quarter end, whichever is earlier, at the rate of 1.00% per annum over State Bank of Pakistan's minimum export refinance rate.

11. CONTINGENCIES AND COMMITMENT

Contingencies

11.1 The status of contingencies as at June 30, 2014 is the same as reported in the annual financial statements for the year ended December 31, 2013.

Commitment

11.2 Commitment for capital expenditure amounted to Rs.0.345 (December 31, 2013: Rs.2.251) million.



PAKISTAN GUM & CHEMICALS LIMITED

	Half-year ended		Quarter ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	(Rupees in '000) -----			
12. NET SALES				
Gross sales				
Local	173,312	150,334	85,430	75,165
Export	<u>518,620</u>	<u>789,033</u>	<u>249,699</u>	<u>414,113</u>
	691,932	939,367	335,129	489,278
Sales commission	<u>(3,475)</u>	<u>(4,316)</u>	<u>(1,750)</u>	<u>(2,000)</u>
	<u>688,457</u>	<u>935,051</u>	<u>333,379</u>	<u>487,278</u>
13. COST OF SALES				
Raw material consumed				
Opening stock	139,340	-	333,721	187,925
Purchases	<u>611,579</u>	<u>927,381</u>	<u>171,973</u>	<u>262,580</u>
	750,919	927,381	505,694	450,505
Closing stock	<u>(216,466)</u>	<u>(52,490)</u>	<u>(216,466)</u>	<u>(52,490)</u>
	<u>534,453</u>	<u>874,891</u>	<u>289,228</u>	<u>398,015</u>
Packing material consumed				
Opening stock	2,632	2,764	3,309	2,881
Purchases	<u>9,932</u>	<u>4,518</u>	<u>5,974</u>	<u>2,853</u>
	12,564	7,282	9,283	5,734
Closing stock	<u>(3,187)</u>	<u>(3,325)</u>	<u>(3,187)</u>	<u>(3,325)</u>
	<u>9,377</u>	<u>3,957</u>	<u>6,096</u>	<u>2,409</u>
	<u>543,830</u>	<u>878,848</u>	<u>295,324</u>	<u>400,424</u>
Manufacturing overheads				
Stores and spares consumed	6,082	3,046	4,531	1,507
Salaries, wages and benefits	<u>24,357</u>	<u>18,856</u>	<u>12,035</u>	<u>7,735</u>
Utilities	57,531	27,688	29,915	13,904
Depreciation	4,066	3,832	1,991	1,943
Repairs and maintenance	1,741	1,725	745	1,096
Handling charges	6,286	1,619	2,642	1,043
Rent, rates and taxes	2,569	703	1,438	307
Insurance	515	519	258	256
Travelling and conveyance	1,162	901	595	453
Laboratory expenses	175	5	157	5
Research and development cost	1,426	1,300	1,004	190
Communication	80	52	43	27
Entertainment	22	12	14	6
Provision against slow moving stores and spares	729	714	441	336
Others	118	67	55	45
	<u>106,859</u>	<u>61,039</u>	<u>55,864</u>	<u>28,853</u>
Cost of goods manufactured	<u>650,689</u>	<u>939,887</u>	<u>351,188</u>	<u>429,277</u>
Opening stock of finished goods	<u>67,789</u>	<u>33,065</u>	<u>59,098</u>	<u>143,095</u>
	718,478	972,952	410,286	572,372
Closing stock	<u>(125,204)</u>	<u>(161,881)</u>	<u>(125,204)</u>	<u>(161,881)</u>
	<u>593,274</u>	<u>811,071</u>	<u>285,082</u>	<u>410,491</u>



PAKISTAN GUM & CHEMICALS LIMITED

	Half-year ended		Quarter ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
14. FINANCE COSTS				
----- (Rupees in '000) -----				
Mark-up on:				
Export refinance	981	5,318	884	4,322
Short-term running finance	-	17	-	17
Obligations under finance leases	143	379	65	193
	<u>1,124</u>	<u>5,714</u>	<u>949</u>	<u>4,532</u>
Bank charges	1,616	1,574	888	923
	<u>2,740</u>	<u>7,288</u>	<u>1,837</u>	<u>5,455</u>

15. TAXATION

15.1 The charge for current taxation is based on taxable income at the current rates of taxation and on the final tax regime under Section 169 of the Income Tax Ordinance, 2001. However, the amount of tax liability is provisional and final liability will be determined on the basis of annual results.

15.2 A major portion of the Company's income is subject to taxation on the 'Final Tax' under Section 169 of the Income Tax Ordinance, 2001. Further, there is no material temporary difference between the tax and accounting bases of carrying value of assets and liabilities. Therefore, the tax effects of temporary differences, which might determine deferred taxation, are not considered to be significant.

16. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise the holding company (East West Group Holdings Inc, British Virgin Islands), local associated companies, staff retirement funds, directors, executives and key management personnel. The Company in the normal course of business carries out transactions at normal market price with various related parties. Transactions with related parties are given below:

		Half-year ended	
		June 30, 2014	June 30, 2013
		----- (Rupees in '000) -----	
Relationship	Nature of transaction		
Holding company	Dividend paid to holding company	12,746	25,491
Associated	Commission on sales	3,037	3,011
Undertakings	Sale of goods	991	2,587
	Freight Forwarding	13	8
	Transportation	750	672
Staff Retirement	Contribution to staff retirement funds	2,239	3,738
Benefit plan, key management personnel	Remuneration	13,425	20,638

17. DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue on 25 August 2014 by the Board of Directors of the Company.

18. GENERAL

18.1 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2014 and June 30, 2013.

18.2 Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.


Mohammad Moonis
 Chairman


Ozair Ahmed Hanafi
 Chief Executive Officer


Khadim Hussain
 Chief Financial Officer