



**PAKISTAN
GUM AND CHEMICALS
LIMITED**



**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2016**

(UN-AUDITED)



PAKISTAN GUM & CHEMICALS LIMITED

COMPANY INFORMATION

AS ON JUNE 30, 2016

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>

Chief Executive

Sajid Iqbal Hussain

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 (Expired on 8 August, 2016)

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisor

Tahir Ali Tayebi & Co.

Bankers

Askari Bank Limited
Habib Bank Limited
Bank of Punjab
Habib Metropolitan Bank Limited
JS 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



CHAIRMAN'S REVIEW

On behalf of the Board of Directors, I present the unaudited accounts for the half year ended June 30, 2016. These accounts have been subjected to review by our auditors - M/s. EY Ford Rhodes, Chartered Accountants.

Net sales for the period under review were Rs.211 million as compared to Rs.443 million in the corresponding period of 2015. While the sales volume dropped by 21%, sales value decreased by 52%. This reflects substantial fall in demand even at the reduced selling price. This has resulted in Net Loss After Tax of Rs.45 million compared to After Tax profit of Rs.0.9 million for the same period last year .

As expected, the results for the period under review reflect a declining trend in price and demand for guar products and similarly our margin. This is mainly because of the poor demand from overseas buyers particularly from the oil drilling sector and very tough competition from India .

This situation is likely to continue unless the demand for guar product pickup and our competitive position vis a vis India improves. However, the management of the Company is doing its utmost to cope up with this extremely challenging situation.

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 23, 2016

چئیرمین کا جائزہ

میں بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2016 کو ختم ہونے والے ششماہی غیر آڈیٹڈ مالیاتی گوشوارے جو کے ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹینٹس کے محدود جائزے پر مشتمل ہیں، پیش کر رہا ہوں۔

اس ششماہی کی حتمی فروخت 211 ملین رہی جو کہ گزشتہ سال اس ہی دوران 443 ملین تھی، جبکہ فروخت کا حجم 21% اور مالیت 52% سے کم رہی۔ یہ شرح ہماری مصنوعات کی مانگ میں شدید کمی کی عکاسی کرتی ہے۔ اس کے نتیجہ میں کمپنی کو ٹیکس کی ادائیگی کے بعد 45 ملین کا خسارہ ہوا جبکہ گزشتہ سال اس ہی دوران 0.9 ملین کا منافع ہوا تھا۔

متوقع طور پر اس مدت کے نتائج اس بات کی عکاسی کرتے ہیں کہ گوار کی مصنوعات کی قیمت اور منافع کی شرح میں شدید کمی ہوئی ہے۔ اس کی بنیادی وجہ بیرون ملک تیل اور گیس کے شعبہ جات کی مانگ میں بھی شدید کمی ہے۔ دوسری جانب ہمیں ہندوستانی مارکیٹ سے سخت مقابلہ کا سامنا ہے۔ یہ صورتحال ممکنہ طور پر اس وقت تک جاری رہے گی جب تک کہ گوار کی مصنوعات کی مانگ میں واضح طور پر اضافہ نہ ہو اور ہندوستانی مارکیٹ میں بھی بالترتیب بہتری نہ دیکھنے میں آئے۔ تاہم انتظامیہ ان مشکل کاروباری حالات سے نمٹنے کے لئے انتہائی اقدامات کر رہی ہے۔

میں مشکور ہوں بورڈ پر موجود اپنے ساتھیوں کا جن کے تعاون، محنت اور مشوروں کی بدولت میں اپنے کام کی انجام دہی کر سکا ہوں۔ میں معترف ہوں کمپنی کی مینجمنٹ اور کارکنان کا جو کہ ان مشکل حالات کا انتھک محنت سے مقابلہ کرتے رہے۔



محمد منس
چئیرمین

کراچی: مورخہ 23 اگست، 2016



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 2016, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and 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 "interim financial information"). Management is responsible for the preparation and 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 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.

Chartered Accountants

Review Engagement Partner : Shariq Ali Zaidi

Karachi: August 23, 2016



PAKISTAN GUM & CHEMICALS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2016

	Note	June 30, 2016 -----Rs. '000----- (Un-audited)	December 31, 2015 -----Rs. '000----- (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	118,828	128,356
Long-term deposits	5	<u>878</u>	<u>878</u>
		119,706	129,234
CURRENT ASSETS			
Stores and spare parts		6,398	7,172
Stock-in-trade	6	129,843	142,348
Trade debts	7	37,730	46,373
Loans and advances	8	1,486	1,114
Short-term prepayments		850	862
Other receivables		5,791	6,563
Short-term investment	9	120,685	115,368
Taxation net		31,011	34,280
Cash and bank balances	10	<u>10,756</u>	<u>17,822</u>
		344,550	371,902
TOTAL ASSETS		<u>464,256</u>	<u>501,136</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>355,162</u>	<u>400,302</u>
		397,648	442,788
NON-CURRENT LIABILITIES			
Deferred taxation		2,523	2,848
CURRENT LIABILITIES			
Trade and other payables	11	<u>64,085</u>	<u>55,500</u>
TOTAL EQUITY AND LIABILITIES		<u>464,256</u>	<u>501,136</u>
CONTINGENCIES AND COMMITMENT			
	12		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Mohammad Moonis
 Chairman


Sajid Iqbal Hussain
 Chief Executive



PAKISTAN GUM & CHEMICALS LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED JUNE 30, 2016
(UN-AUDITED)**

	Note	Half-year ended		Quarter ended	
		June 30 2016	June 30 2015	June 30 2016	June 30 2015
		----- (Rupees in '000) -----			
Turnover	13	211,026	443,405	116,062	194,883
Cost of sales	14	(227,203)	(403,591)	(128,391)	(175,651)
Gross (loss) / profit		(16,177)	39,814	(12,329)	19,232
Shipping expenses		(7,561)	(10,177)	(3,320)	(4,559)
Administrative expenses		(22,823)	(25,012)	(11,303)	(13,152)
Other expenses	15	(87)	(421)	(194)	(121)
Other income	16	4,032	2,521	2,082	732
Finance costs	17	(680)	(984)	(374)	(536)
(Loss) / profit before taxation		(43,296)	5,741	(25,438)	1,596
Taxation - current	18	(1,844)	(4,864)	(1,020)	(1,264)
(Loss)/ profit for the period		(45,140)	877	(26,458)	332
		----- (Rupees) -----			
(Loss)/earnings per share - Basic and diluted		(10.62)	0.21	(6.23)	0.08

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Mohammad Moonis
Chairman


Sajid Iqbal Hussain
Chief Executive



PAKISTAN GUM & CHEMICALS LIMITED

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED JUNE 30, 2016
(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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	----- (Rupees in '000) -----			
(Loss) / profit for the period	(45,140)	877	(26,458)	332
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(45,140)</u>	<u>877</u>	<u>(26,458)</u>	<u>332</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Mohammad Moonis
Chairman


Sajid Iqbal Hussain
Chief Executive



PAKISTAN GUM & CHEMICALS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2016 (UN-AUDITED)

Note	June 30, 2016	June 30, 2015
	-----Rs. '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(43,296)	5,741
Adjustments for:		
Depreciation	7,525	8,412
Finance costs	680	984
Provision for compensated absences	1,200	1,877
Profit on financial assets	(4,010)	(1,347)
Gain on sale of operating fixed assets	(22)	(419)
	5,373	9,507
(Loss) / profit before working capital changes	(37,923)	15,248
Working capital changes		
Decrease / (increase) in current assets		
Stores and spare parts	774	1,980
Stock-in-trade	12,505	106,984
Trade debts	8,643	(26,429)
Loans and advances	(371)	1,482
Short-term prepayments	12	(160)
Other receivables	772	(12,382)
	22,335	71,475
Increase/ (decrease) in current liabilities		
Trade and other payables	7,552	(77,171)
Cash (used in) / generated from operations	(8,036)	9,552
Long term deposits	-	(1)
Income tax received / (paid)	1,100	(3,130)
Payment in respect of compensated absences	(168)	(2,027)
Finance costs paid	(680)	(983)
	252	(6,141)
Net cash (used in) / generated from operating activities	(7,784)	3,411
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of operating fixed assets	-	(4,770)
Proceeds from disposal of operating fixed assets	2,025	419
Lease obligations paid	-	(596)
Profit received on financial assets	4,146	1,331
Net cash generated from / (used in) investing activities	6,171	(3,616)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(21,243)
Net cash used in financing activities	-	(21,243)
Net decrease in cash and cash equivalents	(1,613)	(21,448)
Cash and cash equivalents at the beginning of the period	127,822	79,262
Cash and cash equivalents at the end of the period	19 126,209	57,814

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Mohammad Moonis
Chairman


Sajid Iqbal Hussain
Chief Executive



PAKISTAN GUM & CHEMICALS LIMITED

**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED JUNE 30, 2016
(UN-AUDITED)**

	CAPITAL RESERVE		REVENUE RESERVES		
	Issued, subscribed and paid-up capital	Share premium	General	Accumulated profit/(loss)	Total
	----- (Rupees in '000) -----				
Balance as at January 01, 2015	42,486	17,553	409,785	74,297	544,121
Final dividend for the year ended December 31, 2014 @ Rs. 5 per Ordinary Share	-	-	-	(21,243)	(21,243)
Net Profit for the half year ended	-	-	-	877	877
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	877	877
Balance as at June 30, 2015	42,486	17,553	409,785	53,931	523,755
Balance as at January 01, 2016	42,486	17,553	462,839	(80,090)	442,788
Net Loss for the half year ended	-	-	-	(45,140)	(45,140)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive (loss) for the period	-	-	-	(45,140)	(45,140)
Balance as at June 30, 2016	42,486	17,553	462,839	(125,230)	397,648

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Mohammad Moonis
Chairman


Sajid Iqbal Hussain
Chief Executive



PAKISTAN GUM & CHEMICALS LIMITED

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED JUNE 30, 2016
(UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

Pakistan Gum and Chemicals Limited (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 Pakistan Stock exchange. 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

The condensed interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and amendments to IFRSs which became effective for the current period.

- IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates - Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)
- IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
- IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 – Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 27 – Separate Financial Statements Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards

- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 – Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 – Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
- IAS 19 – Employee Benefits - Discount rate: regional market issue
- IAS 34 – Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report

The adoption of the above amendment to accounting standards did not have any material effect on the condensed interim financial statements.



PAKISTAN GUM & CHEMICALS LIMITED

	Note	June 30, 2016 -----Rs. '000----- (Un-audited)	December 31, 2015 -----Rs. '000----- (Audited)
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	112,803	122,331
Capital work-in-progress		6,025	6,025
		118,828	128,356
4.1 Operating fixed assets			
Opening net book value		122,331	134,801
Additions during the period / year		-	5,431
		122,331	140,232
Disposals during the period / year	4.1.1	(2,003)	(1,779)
Depreciation charged during the period / year		(7,525)	(16,122)
		(9,528)	(17,901)
		112,803	122,331
4.1.1 Disposals during the period / year			
Vehicles		-	1,779
Plant and machinery		2,003	-
		2,003	1,779
5. LONG-TERM DEPOSITS			
These represent, security deposits paid to various parties. These are unsecured, considered good and non-interest bearing.			
	Note	June 30, 2016 -----Rs. '000----- (Un-audited)	December 31, 2015 -----Rs. '000----- (Audited)
6. STOCK-IN-TRADE			
Raw material		12,753	-
Packing material		2,127	2,320
Finished goods		114,963	140,028
		129,843	142,348
6.1 It includes stock-in-trade carried at net realisable value amounting to Rs. 63.666 million (December 31, 2015: Rs.96.807 million).			
	Note	June 30, 2016 -----Rs. '000----- (Un-audited)	December 31, 2015 -----Rs. '000----- (Audited)
7. TRADE DEBTS			
Considered good			
Secured-against letters of credit		32,502	40,160
Unsecured		5,228	6,213
		37,730	46,373
Considered doubtful			
Unsecured		10	10
Provision against doubtful debts		(10)	(10)
		-	-
		37,730	46,373
8. LOANS AND ADVANCES			
Loans-seured, considered good			
Loans to employees	8.1	1,132	1,007
Advances - unsecured, considered good			
- Suppliers		226	-
- Employees		128	107
		354	107
		1,486	1,114
8.1 These carry mark-up at 3 months KIBOR plus 1.5% per annum.			



PAKISTAN GUM & CHEMICALS LIMITED

June 30, December 31,
2016 2015
(Un-audited) (Audited)
-----Rs. '000-----

9. SHORT-TERM INVESTMENTS – held to maturity

Term Deposit Receipts	<u>120,685</u>	<u>115,368</u>
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9.1. These carry return at rates ranging from 4.75% to 6.5% (December 31, 2015: 7.75% and 5%) per annum under conventional banking system, maturing latest by November 27, 2015. Accrued return of Rs.0.57 million (December 2015: Rs.0.25 million) is included herein

June 30, December 31,
2016 2015
Note (Un-audited) (Audited)
-----Rs. '000-----

10. CASH AND BANK BALANCES**Cash in hand :**

Local currency	235	249
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Cash at bank in :**Current accounts**

Local currency	5,945	8,770
Foreign currency	51	94
	<u>5,996</u>	<u>8,864</u>

Saving account

Local currency	10.1	4,525	8,709
		<u>10,756</u>	<u>17,822</u>

10.1 The mark-up on funds placed on deposit accounts ranges from 4% to 5% (2015: 4% to 5%) per annum.

10.2 The Company has banking relationship with banks having conventional banking system.

June 30, December 31,
2016 2015
(Un-audited) (Audited)
-----Rs. '000-----

11. TRADE AND OTHER PAYABLES

Creditors	19,878	4,728
Accrued liabilities	7,267	11,783
Provision for compensated absences	4,014	2,982
Bonus to employees	2,258	4,000
Due to Employees' Gratuity Fund	11,522	10,623
Due to Employees' Pension Fund	3,015	2,918
Advances from customers	797	1,988
Workers' Welfare Fund	11,794	11,794
Tax deducted at source	417	292
Unclaimed dividend	1,506	2,912
Employees' car and motorcycle loan schemes	1,617	1,480
	<u>64,085</u>	<u>55,500</u>

12. CONTINGENCIES AND COMMITMENT**12.1 Contingencies**

The status of contingencies as at June 30, 2016 is the same as reported in the annual financial statements for the year ended December 31, 2015.



PAKISTAN GUM & CHEMICALS LIMITED

	June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
	-----Rs. '000-----	
12.2 Commitment		
12.2.1 Commitment for capital expenditure	635	635
12.2.2 Letter of guarantee	5,118	5,118

	Half-year ended		Quarter ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	----- (Rupees in '000) -----			
	----- (Un-Audited) -----			

13. TURNOVER

Gross sales

Local	58,799	124,107	40,076	51,239
Export	158,130	322,928	79,770	145,224
	216,929	447,035	119,846	196,463
Sales commission	(1,335)	(2,379)	(865)	(990)
sales tax	(4,568)	(1,251)	(2,919)	(590)
	211,026	443,405	116,062	194,883

14. COST OF SALES

Raw material consumed

Opening stock	-	129,291	4,312	51,839
Purchases	144,800	205,027	70,110	77,228
	144,800	334,318	74,422	129,067
Closing stock	(12,753)	(36,798)	(12,753)	(36,798)
	132,047	297,520	61,669	92,269

Packing material consumed

Opening stock	2,320	4,382	2,102	2,512
Purchases	6,104	6,003	2,916	3,853
	8,424	10,385	5,018	6,365
Closing stock	(2,127)	(3,620)	(2,127)	(3,620)
	6,297	6,765	2,891	2,745
	138,344	304,285	64,560	95,014

Manufacturing overheads

Stores and spares consumed	1,900	4,181	985	1,584
Salaries, wages and benefits	19,923	23,489	9,767	11,984
Utilities	30,461	42,185	16,130	20,180
Depreciation	5,967	6,713	2,984	3,386
Repairs and maintenance	843	1,178	395	599
Handling charges	2,161	2,906	1,157	1,347
Rent, rates and taxes	144	2,256	117	1,318
Insurance	456	496	228	253
Travelling and conveyance	954	1,091	477	568
Laboratory expenses	153	154	37	102
Research and development cost	101	720	51	280
Communication	92	89	49	46
Entertainment	125	31	114	23
Provision against slow moving stores and spares	495	36	219	(248)
Others	20	52	10	18
	63,795	85,577	32,719	41,440

Cost of goods manufactured

Opening stock of finished goods	140,027	247,048	146,075	272,516
	342,166	636,910	243,354	408,970
	(114,963)	(233,319)	(114,963)	(233,319)
Closing stock	227,203	403,591	128,391	175,651



PAKISTAN GUM & CHEMICALS LIMITED

15. OTHER CHARGES

Includes exchange loss-net arising on foreign currency financial assets and liabilities.

Half-year ended		Quarter ended	
June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
(Rupees in '000)			
(Un-Audited)			

16. OTHER INCOME

Income from financial assets

Interest / return on :

Term deposits receipts

conventional banking system

Bank deposits conventional

banking system

Mark-up on loans to employees

3,757	869	1,996	279
248	462	84	239
5	16	2	7
4,010	1,347	2,082	525

Income from non - financial assets

Gain on disposal of fixed assets

Exchange gain

16.1

22	419	-	-
-	755	-	207
22	1,174	-	207
4,032	2,521	2,082	732

16.1 Represent exchange gain-net arising on foreign currency financial assets and liabilities.

Half-year ended		Quarter ended	
June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
(Rupees in '000)			
(Un-Audited)			

17. FINANCE COSTS

Mark-up on obligation under

finance leases

Bank charges

-	16	-	3
680	968	374	533
680	984	374	536

18. TAXATION

Current

Deferred

2,169	4,230	1,345	630
(325)	634	(325)	634
1,844	4,864	1,020	1,264

Note	June 30, 2016	June 30, 2015
	(Un-audited)	
	Rs. '000	

19. CASH AND CASH EQUIVALENTS

Cash and bank balances

Term deposit receipts - maturity of three months or less

10	10,756	37,505
	115,453	20,309
	126,209	57,814



PAKISTAN GUM & CHEMICALS LIMITED

20. 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:

Relationship	Nature of transaction	Half-year ended	
		June 30, 2016	June 30, 2015
		----- (Rupees in '000) -----	
Holding company	Dividend paid to holding company	-	12,746
Associated Undertakings	Commission on sales	1,230	2,309
	Sale of goods	1,204	1,568
	Freight Forwarding	9	10
	Transportation	556	598
Staff Retirement	Contribution to staff retirement funds	735	3,858
Benefit plan, key management personnel	Remuneration	11,432	15,581

21. DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue on 23 August, 2016 by the Board of Directors of the Company.

22. GENERAL

22.1 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, 2016 and June 30, 2015.

22.2 Figures have been rounded off to the nearest thousand rupees, except as stated therein.

Mohammad Moonis
Chairman

Sajid Iqbal Hussain
Chief Executive