



ANNUAL REPORT 2015



GUAR SEED



GUAR SPLITS



GUAR GUM



GUAR MEAL



CONTENTS:

Corporate Objectives	02
Company Information	03
Six Years Financial Highlights	04
Graphical Presentation	05
Notice of Meeting	07
Directors' Report	08
Statement of Compliance with the Code of Corporate Governance	10
Review Report to the Members	12
Auditors' Report	13
Financial Statements	14
Notes to the Financial Statements	19
Pattern of Shareholdings	42
Proxy Form	

CORPORATE OBJECTIVES

- Develop a strong organization centered at Karachi, to run the existing business and exploit new opportunities.
- Develop relationships with agents and end-users for a world-wide reach for our products and thus improve profitability.
- Develop a strategy on procurement of raw material to secure long-term business and development opportunities.
- Identify, establish and exploit new markets and technologies through Research and Development and marketing skills.
- Identify suitable acquisitions for real synergies to improve our corporate position and profit potential.
- In recognition of its responsibilities as a Corporate Body the Company aims to:
 - Pursue personnel policies, which recognize the aspirations and performance of individuals and which are suited to the diverse levels of skills required and the many career paths available in the company.
 - Have full regard to the attitudes and expectations of its client base at large and contribute as appropriate, to the formulation of positive attitudes and opinions.
 - Act as a reputable, efficient and responsible organization.

COMPANY INFORMATION

AS ON DECEMBER 31, 2015

Board of Directors

Mohammad Moonis	Chairman
Shuaib Ahmed	Vice-Chairman
Ozair Ahmed Hanafi	Director
Tariq Mohamed Amin	Director
Mohammed Aslam Hanafi	Director
Mohammad Ali Hanafi	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 & 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
Al Baraka Bank (Pakistan) 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

SIX YEARS FINANCIAL HIGHLIGHTS

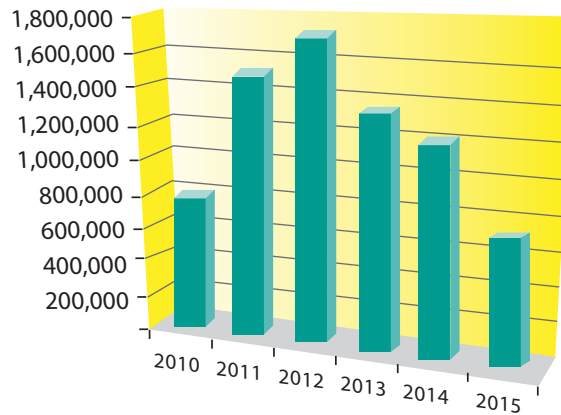
(Rupees in Thousands)

	2015	2014	2013	2012	2011	2010
Operating assets	122,331	134,801	59,524	57,557	49,110	49,185
Capital work-in-progress	6,025	6,637	81,400	30,815	317	710
Long-term Loans, Deposits & Retirement Benefits	878	878	862	862	778	776
Net current and other assets	316,402	405,411	349,925	370,360	198,929	70,534
Total assets employed	445,636	547,727	491,711	459,594	249,134	121,205
Ordinary capital	42,486	42,486	42,486	42,486	42,486	42,486
Reserves	400,302	501,635	448,581	413,931	206,648	78,719
Long term and deferred liabilities	2,848	3,606	644	3,177	-	-
Total funds employed	445,636	547,727	491,711	459,594	249,134	121,205
Net turnover	684,144	1,187,576	1,317,205	1,726,433	1,450,778	734,117
Profit/(Loss) before taxation	(71,149)	91,359	92,549	269,311	156,393	(42,426)
% of net sales	(10.40)	7.69	7.03	15.60	10.78	(5.78)
% of average assets employed	(14.32)	17.58	19.46	76.00	84.46	(28.62)
Profit / (Loss) after taxation	(75,471)	77,521	76,441	246,177	127,929	(49,835)
Cash dividend - amount	-	21,243	21,243	42,486	33,989	-
Bonus Shares - %	-	-	-	-	-	-
Right Shares - %	-	-	-	-	-	-
Cash dividend - %	-	50	50	100	80	-
Earnings/(Loss) per share Rs.	(17.76)	18.25	17.99	57.94	30.11	(11.73)
Break-up value	104.89	128.92	115.73	108.18	58.64	28.53
No. of shares	4,249	4,249	4,249	4,249	4,249	4,249

GRAPHICAL PRESENTATION

Sales -Net

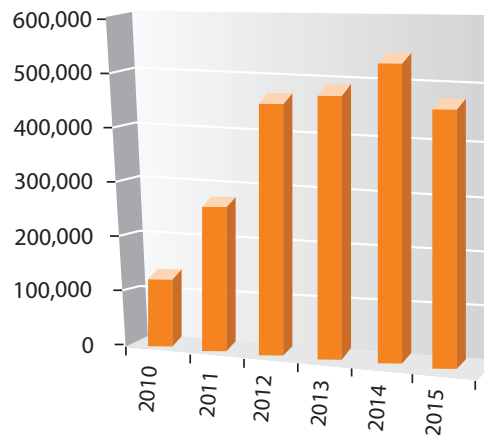
Rupees in '000



	2010	2011	2012	2013	2014	2015
■ Sales - Net	734,117	1,450,778	1,726,433	1,317,205	1,187,576	684,144

Shareholders Equity

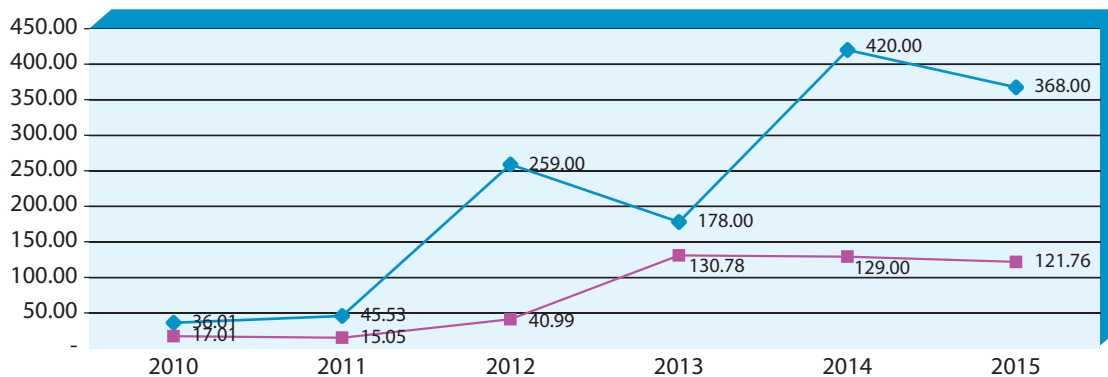
Rupees in '000



	2010	2011	2012	2013	2014	2015
■ Shareholders Equity	121,205	249,134	456,417	491,067	544,121	442,788

Share Price Movement

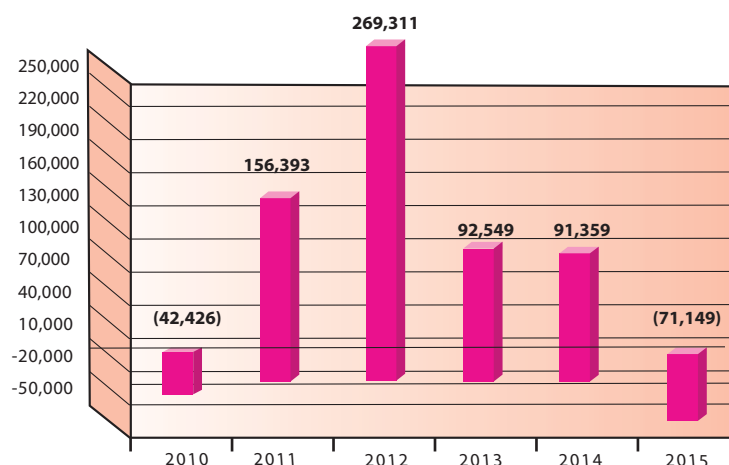
Rupees



	2010	2011	2012	2013	2014	2015
◆ High	36.01	45.53	259.00	178.00	420.00	368.00
■ Low	17.01	15.05	40.99	130.78	129.00	121.76

Profit/(loss) Before Taxation

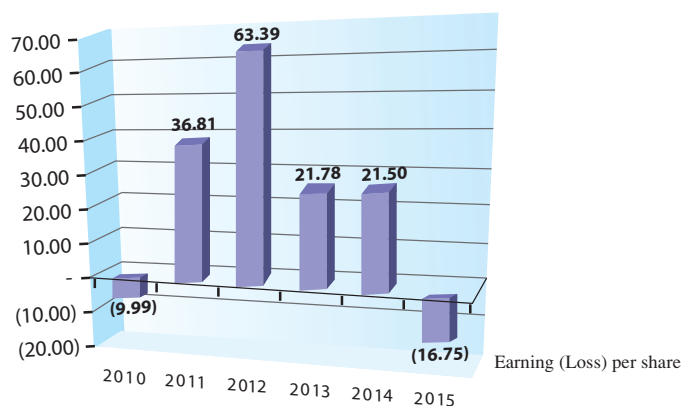
Rupees in '000



	2010	2011	2012	2013	2014	2015
Profit/(Loss) before taxation	(42,426)	156,393	269,311	92,549	91,359	(71,149)

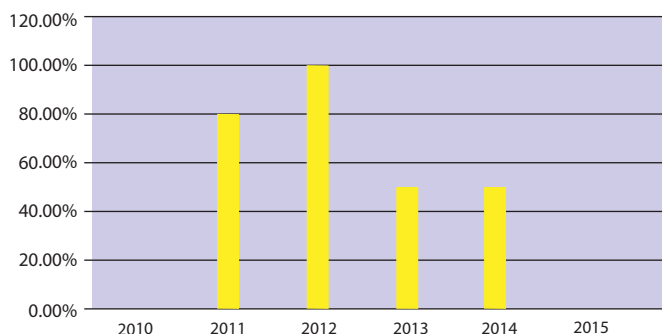
Earning/(loss) per share based on before taxation

Rupees



	2010	2011	2012	2013	2014	2015
Earning per share	(9.99)	36.81	63.39	21.78	21.50	(16.75)

Dividend Payout



	2010	2011	2012	2013	2014	2015
Right	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonus Shares	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash Dividend	0.0%	80.0%	100.0%	50.0%	50.0%	0.0%

NOTICE OF MEETING

NOTICE IS HEREBY given that the 53rd Annual General Meeting of Pakistan Gum & Chemicals Limited, will be held on Tuesday, 26 April, 2016 at 10:00 am at Company's registered office, B-19/A, Irshad Qadri Road, SITE, Karachi to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Annual Audited Accounts for the year ended 31 December, 2015 together with the Directors' and Auditors' reports thereon.
2. To appoint auditors and fix their remuneration.

By Order of the Board



Khadim Hussain
Company Secretary
Karachi: 17 March, 2016

Notes:

1. The Share Transfer Books of the Company will remain closed from 19 April, 2016 to 26 April, 2016 (both days inclusive).
2. CDC shareholders are requested to bring their original CNIC, Account, Sub-Account number and participant's number in Central Depository System for identification purpose for attending the meeting. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
3. A member entitled to attend and vote at the meeting may appoint another person on his/her behalf as his/her proxy to attend, speak and vote and a proxy so appointed shall have such right with respect to attending, speaking and voting at the meeting as are available to a Member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company.
4. Shareholders are requested to notify any change in their addresses immediately.

Transmission of Audited Financial Statements & Notices to members through email:

In terms of S.R.O. 787(I)/2014, SECP has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members through e-mail. Therefore, all members of the Company who wish to receive soft copy of Annual Report are requested to send their e-mail addresses. The consent form for electronic transmission could be downloaded from the Company's website www.pakchem.com.pk. Audited financial statements and reports are being placed on the aforesaid website.

CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

DIRECTORS' REPORT

On behalf of the Board of Directors, it is my pleasure to welcome you to the 53rd Annual General Meeting of the Company.

Business Review

Net sales during the year were Rs.684 million compared to Rs.1,188 million for the previous year. While the sales volume dropped by 35%, sales value decreased by 42%. This reflects substantial fall in demand even at the reduced selling price. This has resulted in Net Loss After Tax of Rs.75 million compared to After Tax Profit of Rs.78 million for the previous year. These results are disappointing but not unexpected. As reported previously, global market for guar products has plummeted. Prices for guar products have dropped to unprecedented level. Guar market in India has crashed. Indian producers are making distress sales at very low price which is adversely impacting our sales. Overseas customers are holding back their orders in anticipation of further reduction in prices. On the other hand, seed suppliers are hoarding the stock to keep/maintain prices at higher level. The management is watching the current seed price situation and cautiously purchasing the seed without exposing the Company to high risk.

Code of Corporate Governance

As required by the Code of Corporate Governance, we are pleased to report the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and changes in accounting policies, if any, have been adequately disclosed. Accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure, if any, has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The operating results for the year reflected Net loss after tax of Rs.75 million compared to After Tax Profit of Rs.78 million, reasons for which have been given under Business Review.
- Key operating and financial data of last six years are annexed.
- The Company operates funded gratuity, pension and provident fund schemes. The fair value of assets based on last audited accounts of the respective funds amounted to Rs.45.5 million.
- During the year one of the directors was granted exemption by SECP from the Certification requirement under the CCG.
- The number of board and Committees' meetings held during the year and attendance of these meetings is as follows:

Name	Committee Members		Attendance		
	Board Audit Committee	HR & Remuneration Committee	Board Meeting	Board Audit Committee	HR & Remuneration Committee
Mr. Mohammad Moonis			5/5		
Mr. Shuaib Ahmed		√	5/5		1/1
Mr. Ozair Ahmed Hanafi			5/5		
Mr. Mohammed Aslam Hanafi			4/5		
Mr. Mohammad Ali Hanafi			4/5		
Mr. Tariq Mohamed Amin	√	√	4/5	3/4	1/1
Mr. Zaeem Ahmad Hanafi	√		3/5	4/4	
Mr. Zahid Zaheer	√	√	5/5	4/4	1/1
Mr. Zubyr Soomro	√	√	3/5	3/4	0/1
Mr. Sajid Iqbal Hussain *			1/5		

* Mr. Sajid Iqbal Hussain appointed as Chief Executive w.e.f. 1 November, 2015

- No trades in share of the Company were carried out by its Director, CEO, CFO, Company Secretary and their spouses and minor children.

Dividend

In view of the loss incurred during the year, the Board has not recommended payment of any dividend for the year.

Future Prospects

The Management is fully conscious of the current difficult business conditions. Recent visit by its team to the existing and potential customers overseas has had encouraging response and expect that to materialize in new profitable business.

Appropriations

	Rupees in '000
Net (Loss) for the year before taxation	(71,149)
Provision for taxation	(4,322)
Net (Loss) for the year after taxation	<u>(75,471)</u>
Other comprehensive (Loss)	<u>(4,619)</u>
	<u>(80,090)</u>
Appropriations	
Proposed Cash Dividend	-
Proposed Bonus Shares	-
Transfer to General Reserve	-
(Loss) carried forward	<u>(80,090)</u>
Basic (Loss) per share (Rupees)	<u>(17.76)</u>

Pattern of shareholdings

The pattern of shareholdings of the Company as at December 31, 2015 is given on page 42 of this report.

Holding Company

East West Group Holdings Inc., a company incorporated in British Virgin Islands, U.K. is the primary shareholder of the Company.

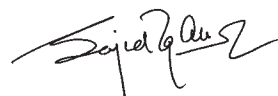
Auditors

The present auditors Messrs. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, Karachi, retire and being eligible, offer themselves for re-appointment. The Board of Directors recommends the appointment of Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, as auditors of the Company for the year ending 31 December, 2016 as suggested by the Audit Committee.

Acknowledgement

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

By order of the Board



Sajid Iqbal Hussain
Chief Executive



Mohammad Moonis
Chairman

Karachi: 17 March, 2016

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Name of company: PAKISTAN GUM & CHEMICALS LIMITED
Year ending: DECEMBER 31, 2015

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

- The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of directors. At present the Board includes:

Category	Names
Independent Director	Mr. Zubyr Soomro
Executive Directors	Mr. Sajid Iqbal Hussain Mr. Mohammad Aslam Hanafi
Non-Executive Directors	Mr. Mohammad Moonis Mr. Shuaib Ahmed Mr. Ozair Ahmed Hanafi Mr. Mohammad Ali Hanafi Mr. Tariq Mohamed Amin Mr. Zahid Zaheer Mr. Zaeem Ahmad Hanafi

The independent director meets the criteria of independence under clause i (b) of the CCG.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- No casual vacancy arose on the Board during the year. However, Mr. Ozair Ahmed Hanafi resigned as Chief Executive and was replaced by Mr. Sajid Iqbal Hussain.
- The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
- The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- During the year one of the directors was granted exemption by SECP from the Certification requirement under the CCG.
- No new appointment of the Chief Financial Officer (CFO)/Company Secretary or Head of Internal Audit were made during the year.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises four members, all of whom are non-executive directors.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board had formed an HR and Remuneration Committee since before the CCG requirement, called Personnel & Compensation Committee. It comprises of four members, all of whom are non-executive directors.
18. The Board has set up effective internal audit function comprising of an auditor who is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. During the year there was no material/price sensitive information which should have been disseminated among the market participants through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied.



Sajid Iqbal Hussain
Chief Executive



Mohammad Moonis
Chairman

Karachi: 17 March, 2016

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

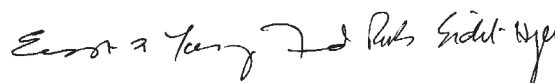
We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Pakistan Gum and Chemicals Limited (the Company) for the year ended 31 December 2015 to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.23 (b) of the Code of Corporate Governance, where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2015.



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Karachi: 17 March, 2016


AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Pakistan Gum and Chemicals Limited (the Company) as at 31 December 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the change as stated in note 4.2 to the accompanying financial statements, with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of the loss, its comprehensive loss, cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Audit Engagement Partner: Shariq Ali Zaidi

Date: 17 March, 2016


Place: Karachi

BALANCE SHEET AS AT DECEMBER 31, 2015

	Note	December 31, 2015	December 31, 2014
Rupees in '000			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	128,356	141,438
Long-term deposits	6	878	878
		129,234	142,316
CURRENT ASSETS			
Stores and spares	7	7,172	8,972
Stock-in-trade	8	142,348	380,721
Trade debts	9	46,373	37,061
Loans and advances	10	1,114	1,754
Short-term prepayments	11	862	738
Other receivables	12	6,563	10,795
Short-term investments	13	115,368	66,073
Taxation – net		34,280	19,314
Cash and bank balances	14	17,822	13,189
		371,902	538,617
TOTAL ASSETS		501,136	680,933
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
10,000,000 (2014: 10,000,000) Ordinary shares of Rs. 10 each			
		100,000	100,000
Issued, subscribed and paid-up capital			
	15	42,486	42,486
Reserves			
	16	400,302	501,635
		442,788	544,121
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	17	-	-
Deferred taxation	18	2,848	3,606
CURRENT LIABILITIES			
Trade and other payables	19	55,500	132,575
Current maturity of liabilities against assets subject to finance lease	17	-	631
		55,500	133,206
CONTINGENCIES AND COMMITMENTS			
	20		
TOTAL EQUITY AND LIABILITIES		501,136	680,933

The annexed notes 1 to 37 form an integral part of these financial statements.


Mohammad Moonis
CHAIRMAN


Sajid Iqbal Hussain
CHIEF EXECUTIVE


Khadim Hussain
CHIEF FINANCIAL OFFICER


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	December 31, 2015	December 31, 2014
Rupees in '000			
NET SALES	21	684,144	1,187,576
Cost of sales	22	(697,845)	(1,004,685)
GROSS (LOSS) / PROFIT		(13,701)	182,891
Shipping expenses	23	(14,921)	(23,548)
Administrative expenses	24	(46,591)	(52,954)
Other charges	25	(399)	(14,162)
Finance costs	26	(1,901)	(5,240)
Other income	27	6,364	4,372
		(57,448)	(91,532)
(LOSS) / PROFIT BEFORE TAXATION		(71,149)	91,359
Taxation	28	(4,322)	(13,838)
NET (LOSS) / PROFIT FOR THE YEAR		(75,471)	77,521
Rupees			
(LOSS) / EARNINGS PER SHARE – BASIC AND DILUTED	29	(17.76)	18.25

The annexed notes 1 to 37 form an integral part of these financial statements.



Mohammad Moonis
CHAIRMAN



Sajid Iqbal Hussain
CHIEF EXECUTIVE



Khadim Hussain
CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2015

	December 31, 2015	December 31, 2014
	Rupees in '000	
Net (loss) / profit for the year	(75,471)	77,521
Items not to be reclassified to profit or loss in subsequent periods:		
Remeasurement loss on defined benefit obligation	(4,619)	(3,224)
Total comprehensive (loss) / income for the year	(80,090)	74,297

The annexed notes 1 to 37 form an integral part of these financial statements.



Mohammad Moonis
CHAIRMAN



Sajid Iqbal Hussain
CHIEF EXECUTIVE



Khadim Hussain
CHIEF FINANCIAL OFFICER


CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	December 31, 2015	December 31, 2014
Rupees in '000			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	30	105,125	(101,229)
Income tax paid		(20,048)	(21,785)
Bonus paid		(14,742)	(13,737)
Compensated absences paid		-	(1,462)
Net cash generated / (used in) from operating activities		70,335	(138,213)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(4,818)	(16,094)
Sale proceeds from disposal of operating fixed assets		2,473	2,573
Interest income received		4,345	3,215
Net cash from / (used in) investing activities		2,000	(10,306)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease obligations		(631)	(1,820)
Finance costs paid		(1,901)	(5,227)
Dividend paid		(21,243)	(21,243)
Net cash used in financing activities		(23,775)	(28,290)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		48,560	(176,809)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		79,262	256,071
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31	127,822	79,262

The annexed notes 1 to 37 form an integral part of these financial statements.



Mohammad Moonis
CHAIRMAN



Sajid Iqbal Hussain
CHIEF EXECUTIVE




Khadim Hussain
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2015

	Share capital	Capital reserve	Revenue Reserves		Total
			General reserve	Unappropriated profit / (loss)	
	-----Rupees'000-----				
Balance as at December 31, 2013	42,486	17,553	356,559	74,469	491,067
Cash dividend @ Rs. 5 per share	-	-	-	(21,243)	(21,243)
Transferred to general reserve	-	-	53,226	(53,226)	-
Net profit for the year	-	-	-	77,521	77,521
Other comprehensive loss	-	-	-	(3,224)	(3,224)
Total comprehensive income for the year	-	-	-	74,297	74,297
Balance as at December 31, 2014	42,486	17,553	409,785	74,297	544,121
Cash dividend @ Rs. 5 per share	-	-	-	(21,243)	(21,243)
Transferred to general reserve	-	-	53,054	(53,054)	-
Net loss for the year	-	-	-	(75,471)	(75,471)
Other comprehensive loss	-	-	-	(4,619)	(4,619)
Total comprehensive loss for the year	-	-	-	(80,090)	(80,090)
Balance as at December 31, 2015	42,486	17,553	462,839	(80,090)	442,788

The annexed notes 1 to 37 form an integral part of these financial statements.


Mohammad Moonis
CHAIRMAN


Sajid Iqbal Hussain
CHIEF EXECUTIVE


Khadim Hussain
CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public company limited by shares in 1982 under the Companies Act, 1913 (now the Companies Ordinance, 1984). The shares of the Company are quoted on the Pakistan Stock Exchange. Its main business activity is 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

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except for obligation under staff retirement benefits measured at present value as stated in note 4.5 to these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Significant accounting judgments estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

(i) Staff Retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 19.2 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gain and losses in those years.

(ii) Determining the residual values, useful life and impairment of property, plant and equipment

The Company reviews the appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company.

(iii) Stock-in-trade

The Company reviews the net realisable values of stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Further, the stock in silos is estimated based on the measurements of the inventory level therein.

(iv) Taxation and deferred tax

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decisions by appellate authorities. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Significant management judgment is required to determine the amount of deferred tax asset that can be recognized. During the year, a portion of income of the Company has fallen under normal tax regime as the proportion of local sales exceeded 20% resulting in applicability of normal tax regime for local sales and other income. Accordingly, the Company has also accounted for proportionate deferred tax as disclosed in note 18 to these financial statements. Any changes in the proportion of income falling outside final tax regime in future would materially impact the amounts recognized in this respect.

Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future event that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

4.2 New standards, amendments to approved accounting standards and new interpretations

4.2.1 New amendments to approved accounting standards and interpretation which became effective during the year ended December 31, 2015

The accounting policies adopted in the preparation of these financial statements are consistent with those of previous financial period except as described below:

New and amended standards

The Company has adopted the following amended IFRSs and IFRIC interpretations which became effective during the year:

IFRS 10 – Consolidated Financial Statements
 IFRS 11 – Joint Arrangements
 IFRS 12 – Disclosure of Interests in Other Entities
 IFRS 13 – Fair Value Measurement
 IAS 19 – Employee Benefits – (Amendment)

Improvements to Accounting Standards Issued by the IASB

IFRS 2 – Share-based Payment – Definitions of vesting conditions
 IFRS 3 – Business Combinations – Accounting for contingent consideration in a business combination
 IFRS 3 – Business Combinations – Scope exceptions for joint ventures
 IFRS 8 – Operating Segments – Aggregation of operating segments
 IFRS 8 – Operating Segments – Reconciliation of the total of the reportable segments' assets to the entity's assets
 IFRS 13 – Fair Value Measurement – Scope of paragraph 52 (portfolio exception)
 IAS16 – Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation / amortisation
 IAS 24 – Related Party Disclosures - Key management personnel
 IAS 40 – Investment Property – Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above standards, amendments / improvements and interpretations does not have any effect on these financial statements.

4.3 Standards, amendments and interpretations that are not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods Beginning on or after)
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
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)	January 01, 2016
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods Beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2018

4.4 Property, plant and equipment

4.4.1 Operating fixed assets

Owned

These are stated at cost less accumulated depreciation and accumulated impairment, if any.

Leasehold land is depreciated over the period of the lease. Depreciation on all other assets is charged to profit and loss account applying the straight-line method whereby the cost of an asset is written off over its estimated useful life. The rates used are stated in note 5.1 to the financial statements.

In respect of additions and deletions of assets during the year, depreciation is charged from the month of acquisition and up to the month preceding the deletion respectively.

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to profit and loss account.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognised.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Maintenance and normal repairs are charged to income as and when incurred, whereas major renewals are capitalized to the respective item of fixed assets.

Gains and losses on disposal of fixed assets, if any, are taken to profit and loss account.

Leased

Assets subject to finance lease are stated at lower of the present value of minimum lease payments under the lease agreement and fair value of the asset. The related obligations of the lease are accounted for as liabilities. Assets acquired under finance lease are depreciated over the useful life of the assets on the same basis as of owned assets.

4.4.2 Capital work-in-progress

Capital work-in progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of fixed assets in the course of their erection, acquisition and installation.

4.5 Employee benefits

(a) Defined contribution plan

The Company operates an approved contributory provident fund for all permanent employees.

(b) Defined benefit plans

The Company operates the following approved funded schemes:

- (i) pension scheme for its Executives and Executive Director. Provision is made, annually, to cover obligations under the scheme, by way of a charge to profit and loss account, calculated in accordance with the actuarial valuation; and
- (ii) gratuity scheme for all permanent employees of the Company. Provision is made, annually, to cover obligations under the scheme, by way of a charge to profit and loss account, calculated in accordance with the actuarial valuation.

Actuarial gains and losses are recognized in the period in which they occur in other comprehensive income.

(c) Compensated absences

The Company provides for compensated absences of its employees on unavailed leave balances in the period in which the leave is earned on the basis of accumulated leaves and the last drawn pay.

4.6 Stores and spares

These are valued at weighted (moving) average cost less provision for slow moving and obsolete items wherever necessary.

4.7 Stock-in-trade

These are valued at the lower of cost and net realisable value, except for the by-products, which are valued at net realisable value. Cost is determined as follows:

- Raw material - First in First Out basis
- Packing material - Weighted average basis
- Finished goods - Cost of direct materials and labour plus attributable overheads on First-In-First-Out basis

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make sale.

Provision is made for obsolete inventory based on management's judgment.

4.8 Cash and cash equivalents

These are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances and highly liquid short-term investments having a maturity of three months or less from the date of acquisition.

4.9 Trade debts and other receivables

These are recognised and carried at original invoice value less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

4.10 Loans and advances

These are recognised at cost, which is the fair value of the consideration given. However, an assessment is made at each balance sheet date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

4.11 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.12 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognition of the financial assets and financial liabilities are taken to profit and loss account currently.

4.13 Off-setting of financial assets and financial liabilities

A financial asset(s) and a financial liability(ies) is offset and the net amount reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously, if any. Corresponding income and expenses, if any, are also off-set accordingly.

4.14 Investments – Held-to-maturity

Held-to-maturity investment are non-derivative financial assets. Investment having fixed maturity are classified as held-to-maturity where the Company has positive intension and ability to hold the investment till maturity.

These investments are initially measured at fair value plus transactions costs. Subsequently, these are carried at amortised cost less impairment losses, if any. The amount of any discount or premium relating to these investments is amortised over a period of investment.

4.15 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates available, if any, in accordance with the provisions of the Income Tax Ordinance, 2001. The charge for current tax also includes adjustments for prior years or otherwise considered necessary for such years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets / liabilities are recognised for all deductible / temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit (under normal tax regime) will be available against which the deductible / taxable temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. An estimate is made for income expected to fall under normal tax regime for computation of deferred tax.

4.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.17 Foreign currency transactions

The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency. Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised:

Sales are recognised on transfer of title to the customers which generally coincides with dispatch of goods to the customers.

Return on bank deposits and term deposit receipts are recognised on accrual basis.

4.19 Dividend

Dividends are recognised in the financial statements in the period in which these are approved.

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

Note	December 31,	December 31,
	2015	2014
Rupees in '000		
5.1	122,331	134,801
5.2	6,025	6,637
	128,356	141,438

5.1 Operating fixed assets

	COST		Rate %	ACCUMULATED DEPRECIATION		WRITTEN DOWN VALUE	
	As at January 01, 2015	Additions/transfers from CWIP		As at January 01, 2015	Charge for the year / (Disposals) / Transfers	As at January 01, 2015	As at December 31, 2015
Rupees in '000							
DECEMBER 31, 2015							
Owned							
Leasehold land	225	-	1.01	114	2	116	109
Building on leasehold land	62,774	-	3 to 10	21,558	4,620	26,178	36,596
Plant and machinery (note 5.2)	150,324	2,127	7 & 10	70,784	7,611	78,100	76,260
		* 2,204					
Furniture and fixtures	4,462	-	10 & 15	1,905	504	2,409	2,053
Vehicles	8,260	1,100	20	3,338	2,520	6,252	4,834
		** 6,262					
Office equipment	13,308	-	10 to 33	9,964	865	10,767	2,479
Electrical installations	756	-	7 & 10	756	-	756	-
	240,109	3,227		108,419	16,122	124,578	122,331
		* 2,204					
		** 6,262					
Leased							
Vehicles	6,262	** (6,262)	20	3,151	** (3,151)	-	-
	246,371	5,431		111,570	12,971	124,578	122,331

* Represents transferred to owned assets from capital work in progress.

** Represents transferred to owned assets from leased assets.

	COST		Rate %	ACCUMULATED DEPRECIATION		WRITTEN DOWN VALUE	
	As at January 01, 2014	Additions/transfers from CWIP		As at January 01, 2014	Charge for the year / (Disposals)	As at January 01, 2014	As at December 31, 2014
Rupees in '000							
DECEMBER 31, 2014							
Owned							
Leasehold land	225	-	1.01	112	2	114	111
Building on leasehold land	29,129	33,645	3 to 10	18,351	3,207	21,558	41,216
Plant and machinery (note 5.2)	96,253	54,456	7 & 10	64,346	6,823	70,784	79,540
Furniture and fixtures	4,462	-	10 & 15	1,401	504	1,905	2,557
Vehicles	9,292	1,653	20	3,027	1,532	3,338	4,922
Office equipment	12,205	1,103	10 to 33	9,181	783	9,964	3,344
Electrical installations	756	-	7 & 10	743	13	756	-
	152,322	90,857		97,161	12,864	108,419	131,690
		(3,070)					
Leased							
Vehicles	6,262	-	20	1,899	1,252	3,151	3,111
	158,584	90,857		99,060	14,116	111,570	134,801

5.1.1 The cost of fully depreciated assets on December 31, 2015 is Rs.62.505 million (2014: Rs. 48.604) million.

5.1.2 Depreciation for the year has been allocated as follows:

Cost of sales - manufacturing overheads
Administrative expenses

Note	December 31, 2015	December 31, 2014
Rupees in '000		
22	12,987	10,695
24	3,135	3,421
	<u>16,122</u>	<u>14,116</u>

5.1.3 The details of operating fixed assets disposed off during the year are as follows:

Description	Cost	Accumulated depreciation	Net Book Value	Sale Proceeds	Mode of Disposal	Particulars of buyers
Rupees in '000						
Plant & Machinery						
Cooker No.1	295	295	-	409	Negotiation	Mr. Abubakar and Taj Muhammad, Karachi
Vehicles						
Toyota Corolla	1,638	942	696	816	Company's policy	Mr. Syed Jawwad Mehfooz (Employee)
Suzuki Cultus	939	673	266	341	Company's policy	Mr. Zeeshan Nomani (Employee)
Suzuki Mehran	630	378	252	291	Company's policy	Mr. Saleem Khan (Employee)
Suzuki Bolan	652	378	274	281	Company's policy	Mr. S.M Tariq (Employee)
Suzuki Mehran	630	373	257	293	Company's policy	Mr. Muhammad Nauman Ali (Employee)
Unique Motorcycle	47	13	34	32	Company's policy	Mr. Imad Hussain Taj (Employee)
Equipment						
Apple Ipad	62	62	-	10	Negotiation	M/s Faizy.com (Shop)
December 31, 2015	<u>4,893</u>	<u>3,114</u>	<u>1,779</u>	<u>2,473</u>		
December 31, 2014	<u>3,070</u>	<u>1,606</u>	<u>1,463</u>	<u>2,573</u>		

5.2 Capital work-in-progress

Building on leasehold land
Plant and machinery

	December 31, 2015	Additions	(Transfers)	December 31, 2014
Rupees in '000				
Building on leasehold land	13	-	-	13
Plant and machinery	6,012	1,592	(2,204)	6,624
	<u>6,025</u>	<u>1,592</u>	<u>(2,204)</u>	<u>6,637</u>

6. LONG-TERM DEPOSITS

Utilities
Others

Note	December 31, 2015	December 31, 2014
Rupees in '000		
	757	757
	121	121
	<u>878</u>	<u>878</u>

7. STORES AND SPARES

Stores and spares
Provision against slow moving stores and spares

Note	December 31, 2015	December 31, 2014
	12,300	13,732
7.1	(5,128)	(4,760)
	<u>7,172</u>	<u>8,972</u>

7.1 Provision against slow moving stores and spares

Balance at the beginning of the year
Provision made during the year

Note	December 31, 2015	December 31, 2014
	4,760	3,721
22	368	1,039
	<u>5,128</u>	<u>4,760</u>

8. STOCK-IN-TRADE

	Note	December 31, 2015	December 31, 2014
Rupees in '000			
Raw material		-	129,291
Packing material		2,320	4,382
Finished goods	8.1	140,028	247,048
		142,348	380,721

8.1 Includes stock-in-trade carried at net realizable value amounting to Rs. 96.807million (2014: Rs. 54.281 million).

9. TRADE DEBTS

Considered good

Secured – against letter of credit		40,160	32,515
Unsecured		6,213	4,546
		46,373	37,061

Considered doubtful

Unsecured		10	208
Provision against doubtful debts	9.1	(10)	(208)
		-	-
	9.2 & 9.3	46,373	37,061

9.1 Reconciliation of provision for impairment of trade debts is as follows

Balance at the beginning at the year		208	287
Reversal during the year	24	(198)	(79)
Balance at the end of the year		10	208

9.2 As at December 31, 2015, the ageing analysis of unimpaired trade debts is as follows:

	Total	Neither Past due nor impaired	Past due but not impaired		
			1-60 days	61-120 days	Above 120 days
Rupees in '000					
2015	46,373	42,399	3,747	57	170
2014	37,061	33,611	3,450	-	-

9.3 Included herein an Nil amount (2014: Rs. 0.335 million) due to a related party, which is neither past due nor impaired.

10. LOANS AND ADVANCES

Loans - secured

Employees	10.1	1,007	364
-----------	------	-------	-----

Advances - unsecured, considered good

Employees		107	1,271
Suppliers		-	119
		1,114	1,754

10.1 These loans are granted in accordance with the terms of their employment and are secured against their retirement benefit balances and personal guarantees of employees. These loans are recoverable in monthly installments over a period not exceeding one year and carrying an interest charge ranging up to 9% per annum.

	Note	December 31, 2015	December 31, 2014
Rupees in '000			
11. SHORT-TERM PREPAYMENTS			
Fees and subscription		855	725
Others		7	13
		<u>862</u>	<u>738</u>
12. OTHER RECEIVABLES			
Sales tax		6,563	10,098
Receivable from employees' gratuity fund		-	697
		<u>6,563</u>	<u>10,795</u>
13. SHORT-TERM INVESTMENTS – held to maturity			
Term Deposit Receipts	13.1	<u>115,368</u>	<u>66,073</u>

13.1 These carry return at rates ranging between 7.75% and 5% (2014: 9.0% and 9.5%) per annum, maturing latest by May 27, 2016. Accrued return of Rs. 0.25 million (2014: Rs. 0.95 million) is included herein.

		December 31, 2015	December 31, 2014
Rupees in '000			
14. CASH AND BANK BALANCES			
In hand			
Local currency		249	181
At banks in			
Current accounts			
Local currency		8,770	4,368
Foreign currency		94	129
		<u>8,864</u>	<u>4,497</u>
Savings accounts – local currency	14.1	<u>8,709</u>	<u>8,511</u>
		<u>17,822</u>	<u>13,189</u>

14.1 These carry interest rates, ranging between 4% and 5% (2014: 5% and 7%) per annum.

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of Shares			December 31, 2015	December 31, 2014
2015	2014		Rupees in '000	
<u>3,634,092</u>	3,634,092	Ordinary shares of Rs. 10 each, fully paid in cash	<u>36,341</u>	36,341
<u>614,460</u>	614,460	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	<u>6,145</u>	6,145
<u>4,248,552</u>	<u>4,248,552</u>		<u>42,486</u>	<u>42,486</u>

15.1 East West Group Holding Inc., British Virgin Island - the Parent Company, held 2,549,131 (60%) [2014: 2,549,131 (60%)] Ordinary shares of Rs. 10 each as at December 31, 2015.

16. RESERVES

Capital reserve

Share premium on issue of ordinary shares

Revenue reserves

General

Accumulated (loss) / profit

	December 31, 2015	December 31, 2014
Rupees in '000		
	17,553	17,553
	462,839	409,785
	(80,090)	74,297
	382,749	484,082
	400,302	501,635

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The Company had a finance lease agreement with a bank in respect of vehicles. The rate of returns used as the discounting factor was one year's KIBOR plus 2% per annum. The amount of future lease payments together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	2015		2014	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Rupees in '000				
Within one year	-	-	653	631
After one year but not more than five years	-	-	-	-
Total minimum lease payments	-	-	653	631
Finance charges allocated to future periods	-	-	(22)	-
Present value of minimum lease payments	-	-	631	631
Current maturity shown under current liabilities	-	-	(631)	(631)
	-	-	-	-

18. DEFERRED TAXATION

Deferred tax liability on taxable temporary difference

- Accelerated tax depreciation allowance

Deferred tax asset on deductible temporary differences

- Provision for stores and spares
- Provision for compensated absences
- Provision for doubtful debts and receivables

Temporary differences not expected to reverse in view of applicability of final tax regime

	December 31, 2015	December 31, 2014
Rupees in '000		
	13,657	14,795
	(1,641)	(1,571)
	(954)	-
	(3)	(69)
	(2,598)	(1,640)
	11,059	13,155
	(8,211)	(9,549)
	2,848	3,606

19. TRADE AND OTHER PAYABLES

	Note	December 31, 2015	December 31, 2014
Rupees in '000			
Creditors		4,728	68,708
Accrued liabilities	19.1	11,783	11,893
Employees' Pension Fund	19.2	2,918	25
Employees' Gratuity Fund	19.2	10,623	9,763
Compensated absences		2,982	3,146
Bonus to employees		4,000	16,800
Advances from customers		1,988	68
Workers' Profits Participation Fund	19.4	-	4,912
Workers' Welfare Fund		11,794	12,542
Tax deducted at source		292	315
Unclaimed dividends		2,912	1,220
Employees' car and motorcycle loan schemes		1,480	3,183
		55,500	132,575

19.1 Included herein an aggregate sum of Rs.1.469 million (2014: Rs. 0.333 million) due to related parties.

19.2 The status of the funds as of December 31, 2015 were as follows:

	Pension Fund		Gratuity Fund	
	2015	2014	2015	2014
Rs. in '000				
Balance sheet reconciliation as at December 31, 2015				
Present value of defined benefit obligation	21,554	17,835	18,476	17,233
Fair value of plan assets	(18,636)	(17,810)	(7,853)	(7,470)
Net liability in balance sheet	2,918	25	10,623	9,763
Movement in (asset) / liability				
Payable / (receivable) balance as at January 01, 2015	25	(767)	9,763	6,429
Charge for the year	746	432	2,877	2,603
Contribution during the year	(1,558)	(1,172)	914	1,692
Other comprehensive loss / (income)	3,705	1,532	(2,234)	(961)
Receivable from fund	-	-	(697)	-
Payable as at December 31, 2015	2,918	25	10,623	9,763
Expense recognized				
Service cost	831	608	1,904	1,830
Net Interest cost	(85)	(176)	973	773
	746	432	2,877	2,603
Movement in the defined benefit obligation				
Obligation as at January 01, 2015	17,835	14,731	17,233	14,179
Service cost	831	608	1,904	1,830
Interest cost	1,919	1,839	1,813	1,722
Benefits paid	(1,558)	(1,172)	(2,234)	(1,873)
Remeasurement loss / (gain) recognized	2,527	1,829	(240)	1,375
Obligation as at December 31, 2015	21,554	17,835	18,476	17,233
Movement in fair value of plan assets				
Fair value as at January 01, 2015	17,810	15,498	7,470	7,750
Expected return on plan assets	2,004	2,014	840	948
Receivable from fund	-	-	697	-
Employer contributions	1,558	1,172	2,234	962
Benefits paid	(1,558)	(1,172)	(2,234)	(1,873)
Remeasurement (loss) / gain recognized	(1,178)	298	(1,154)	(317)
Fair value as at December 31, 2015	18,636	17,810	7,853	7,470

Key actuarial assumptions used are as follows:

Discount factor used
Expected rate of returns per annum on plan assets
Expected rate of increase in future salaries per annum

Pension Fund		Gratuity Fund	
2015	2014	2015	2014
10.00%	11.25%	10.00%	11.25%
10.00%	11.25%	10.00%	11.25%
10.00%	11.25%	10.00%	11.25%

Plan assets comprise of: funded pension plan

Special Savings Certificates
Equity securities
Cash and net current assets

funded gratuity plan

Special Savings Certificates
Cash and net current assets

2015		2014	
Rupees '000	%	Rupees '000	%
17,897	96	587	3.3
570	3.1	17,124	96.1
169	0.9	99	0.6
18,636	100	17,810	100
7,372	93.8	7,427	99.4
481	6.2	43	0.6
7,853	100	7,470	100

Comparison for five years:

Funded pension plan

Present value of defined benefit Obligation
Fair value of plan assets
Deficit / (surplus)

Experience adjustment

Remeasurement loss / (gain) on obligation
Remeasurement (loss) / gain on plan assets

Funded gratuity plan

Present value of defined benefit Obligation
Fair value of plan assets
Deficit

Experience adjustment

Remeasurement loss / (gain) on obligation
Remeasurement loss on plan assets

	2015	2014	2013	2012	2011
	Rupees in '000				
Present value of defined benefit Obligation	21,554	17,835	14,731	15,800	15,577
Fair value of plan assets	(18,636)	(17,810)	(15,498)	(14,677)	(11,407)
Deficit / (surplus)	2,918	25	(767)	1,123	4,170
Remeasurement loss / (gain) on obligation	2,527	1,829	(2,176)	(665)	1,312
Remeasurement (loss) / gain on plan assets	(1,178)	298	(867)	1,844	(568)
Present value of defined benefit Obligation	18,476	17,233	14,179	11,986	9,629
Fair value of plan assets	(7,853)	(7,470)	(7,750)	(7,308)	(7,615)
Deficit	10,623	9,763	6,429	4,678	2,014
Remeasurement loss / (gain) on obligation	240	1,375	(314)	2,595	1,010
Remeasurement loss on plan assets	(1,154)	(317)	(301)	(60)	(23)

19.3 The latest actuarial valuation of the Funds was carried out as of December 31, 2015 on the basis of the "Projected Unit Credit Method".

19.4 Workers' Profits Participation Fund

	December 31, 2015	December 31, 2014
Note	Rupees in '000	
Balance at the beginning of the year	4,912	4,970
Allocation for the year	25 -	4,912
	4,912	9,882
Interest on Workers' Profits Participation Fund	26 -	185
Payment made during the year	(4,912)	(5,155)
	-	4,912

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 The former employees of the Company have filed law suits against the Company, claiming an aggregate sum of Rs. 9.031 million on various accounts. The management is confident, based on the advice of its legal counsel that the same is not likely to result in any financial loss to the Company. Therefore, no provision has been made in these financial statements in this regard.

20.2 Commitments

20.2.1 Commitment for capital expenditure

20.2.2 Letter of guarantee

Note	December 31, 2015	December 31, 2014
	Rupees in '000	
	635	2,251
	5,118	5,118

21. NET SALES

Gross sales

Local	179,611	329,257
Export	508,136	865,073
	687,747	1,194,330
Sales commission	(3,587)	(6,292)
Discounts	(16)	(462)
	(3,603)	(6,754)
	684,144	1,187,576

22. COST OF SALES

Raw material consumed

	December 31, 2015	December 31, 2014
	Rupees in '000	
Opening stock	129,291	139,340
Purchases	298,177	958,688
	427,468	1,098,028
Closing stock	-	(129,291)
	427,468	968,737

Packing material consumed

Opening stock	4,382	2,632
Purchases	10,024	18,227
	14,406	20,859
Closing stock	(2,320)	(4,382)
	12,086	16,477

Manufacturing overheads

Stores and spares consumed	8,309	10,263
Salaries, wages and benefits	22.1 41,413	48,942
Provision against slow moving stores and spares	7.1 368	1,039
Utilities	73,980	101,772
Depreciation	5.1.2 12,987	10,695
Repairs and maintenance	2,109	3,708
Handling charges	5,039	9,996
Rent, rates and taxes	2,317	5,693
Insurance	1,003	1,030
Traveling and conveyance	2,098	2,291
Laboratory expenses	265	659
Research and development	942	2,099
Communication	189	163
Others	252	380
	151,271	198,730

Cost of goods manufactured

Opening stock of finished goods	590,825	1,183,944
	247,048	67,789
	837,873	1,251,733
Closing stock of finished goods	(140,028)	(247,048)
	697,845	1,004,685

22.1 Included herein is a sum of Rs. 1.669 million and Rs. 0.127 million (2014: Rs. 1.510 million and Rs. 0.073 million) in respect of employees' gratuity fund and employees' pension fund respectively.

23. SHIPPING EXPENSES

	December 31, 2015	December 31, 2014
	Rupees in '000	
Sales promotion expenses	976	1,044
Freight expenses	8,345	13,910
Port expenses	5,030	7,514
Marine insurance	570	1,080
	14,921	23,548

	Note	December 31, 2015	December 31, 2014
Rupees in '000			
24. ADMINISTRATIVE EXPENSES			
Salaries and benefits	24.1	31,630	35,688
Travelling and conveyance		2,964	3,273
Depreciation	5.1.2	3,137	3,421
Communication		1,832	2,058
Security service charges		923	979
Repairs and maintenance		467	435
Insurance		265	352
Printing and stationery		634	1,138
Auditors' remuneration	24.2	599	665
Subscriptions		1,443	1,451
Legal and professional charges		1,667	2,024
Entertainment		742	1,037
Reversal of provision against debts considered doubtful	9	(198)	(79)
Rent, rates and taxes		192	170
Advertisement		135	153
Others		159	189
		46,591	52,954

24.1 Included herein is a sum of Rs. 1.208 million and Rs. 0.619 million (2014: Rs. 1.093 million and Rs. 0.358 million) in respect of employees' gratuity fund and employees' pension fund respectively.

24.2 Auditors' remuneration

Audit fee	378	360
Fee for half yearly review	63	63
Fee for Code of Corporate Governance and other certificates	47	88
Out of pocket expenses	111	154
	599	665

25. OTHER CHARGES

Workers' Profits Participation Fund	19.4	-	4,912
Workers' Welfare Fund		399	1,965
Exchange Loss		-	7,285
		399	14,162

26. FINANCE COSTS

Interest / mark-up on:

Short-term borrowings		-	1,738
Lease financing		7	236
Workers' Profits Participation Fund	19.4	-	185
Bank charges		1,894	3,081
		1,901	5,240

27. OTHER INCOME

Income from financial assets

Interest / return on:

Term deposit receipts		
Bank deposits		
Interest on loans to employees		

Note	December 31, 2015	December 31, 2014
Rupees in '000		
	3,468	2,284
	842	932
	74	46
	4,384	3,262
	694	1,110
	1,286	-
	1,980	1,110
	6,364	4,372
	5,080	10,232
	(758)	3,606
	4,322	13,838

Income from non-financial assets

Gain on sale of fixed assets		
Exchange gain		

28. TAXATION

Current – net		
Deferred		

- 28.1** Due to the gross loss during the period, no provision for minimum tax under section 113 of the income tax ordinance, 2001 is required in these financial statements.
- 28.2** In current year, the relationship between tax expense and accounting profit has not been presented, as the total income of the Company falls under the final tax regime.
- 28.3** The income tax assessments of the Company have been finalised up to and including the tax year 2015, corresponding to the income year ended December 31, 2014.
- 28.4** The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Company believes that it would not be liable to pay any tax in respect of aforesaid tax, as the Company has not derived profit during the current financial year.

29. (LOSS) / EARNINGS PER SHARE – BASIC AND DILUTED

There is no dilutive effect on the basic (loss)/earnings per share of the Company, which is based on:

	December 31, 2015	December 31, 2014
Rupees in '000		
Net (loss) / profit for the year	(75,471)	77,521
Number of shares		
Ordinary shares in issue during the year	4,248,552	4,248,552
Rupees		
(Loss) / Earnings per share – basic and diluted	(17.76)	18.25

	December 31, 2015	December 31, 2014
Note	Rupees in '000	
30. CASH GENERATED FROM / (USED IN) OPERATIONS		
(Loss) / profit before taxation	(71,149)	91,359
Adjustments for non-cash items		
Depreciation	16,124	14,116
Finance costs	1,901	5,240
Provision for compensated absences	(164)	2,536
Provision for bonus	1,942	16,500
Provision for slow moving stores and spares	368	1,039
Provision against doubtful receivable	(198)	(79)
Provision against debt considered doubtful	-	-
Provision for SESSI & EOBI	16	-
Gain on disposal of fixed assets	(694)	(1,110)
Interest income	(4,345)	(3,262)
	14,950	34,980
Operating (loss) / profit before working capital changes	(56,199)	126,339
Working capital changes	30.1 161,324	(227,568)
	105,125	(101,229)
30.1 Working capital changes		
Decrease / (increase) in current assets		
Stores and spares	1,432	(277)
Stock-in-trade	238,373	170,960
Trade debts	(9,114)	2,712
Loans and advances	640	(916)
Short-term prepayments	(124)	(329)
Other receivables	4,232	(4,153)
Short term investments	(5,369)	-
	230,070	(173,923)
Decrease in current liabilities		
Trade and other payables	(68,746)	(53,649)
	161,324	(227,568)
31. CASH AND CASH EQUIVALENTS		
Cash and bank balances	14 17,822	13,189
Term deposit receipts – maturity of three months or less	110,000	66,073
	127,822	79,262

32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

32.1 The aggregate amounts charged in the financial statements for the year are as follows:

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2015	2014	2015	2014	2015	2014
	Rupees in '000					
Managerial remuneration	3,194	2,129	4,705	4,408	6,734	4,484
Housing	919	958	951	904	2,212	1,630
Retirement benefits	-	-	43	167	244	157
Bonus	887	1,161	1,610	1,825	2,448	1,677
Medical expenses	82	164	198	311	1,032	561
Utilities	204	213	211	201	492	362
	<u>5,286*</u>	<u>4,625</u>	<u>7,718</u>	<u>7,816</u>	<u>13,162</u>	<u>8,871</u>
Number	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>7</u>	<u>6</u>

*It includes remuneration of former Chief Executive who worked part of the year.

32.2 The Chief Executive and a Director are also provided with the Company maintained cars in accordance with their terms of employment.

32.3 Seven Non-Executive Directors (2014: Seven) were paid fees to attend the meetings, aggregating Rs.0.860 (2014: Rs. 0.820 million).

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company's senior management provides policies for overall risk management, as well as policies covering specific areas.

The Board of Directors reviews and agrees policies for managing risks which are summarised below:

33.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and equity price risk.

33.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. As of the balance sheet date, the Company is not materially exposed to such risk.

33.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Company is mainly exposed to such risk in respect of foreign currency trade debts amounting to Rs. 40.160 million (2014: Rs. 32.515 million).

Management of the Company estimates that 1% increase in the exchange rate, with all other factors remaining constant, would increase the Company's profit by Rs. 0.4057 million (2014: Rs. 0.377 million) and 1% decrease would result in decrease in the Company's loss by the same amount.

33.1.3 Equity price risk

Equity price risk is the risk of loss arising from movements in prices of equity investments. The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares.

33.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Out of the total financial assets of Rs. 188.102 million (2014: Rs. 129.610) million, the financial assets which are subject to credit risk amounted to Rs. 15.077 million (2014: Rs. 9.962) million. The Company's credit risk is primarily attributable to its trade debts and bank balances. The Company manages its credit risk in respect of trade debts by securing through letter of credits. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counter party default rates as shown below:

	Note	December 31, 2015	December 31, 2014
Rupees in '000			
33.2.1 Trade debts			
Customers with no defaults in the past one year	9.2	46,373	37,061
33.2.2 Bank balances			
A-1+		10,838	3,735
A1+		6,346	8,921
A-1		368	30
A1		21	-
A-2		-	321
		17,573	13,007

33.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Rupees in '000					
Liabilities against assets subject to finance lease	-	-	-	-	-
Trade and other payables	11,374	22,194	4,728	-	38,296
2015	11,374	22,194	4,728	-	38,296

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Rupees in '000					
Liabilities against assets subject to finance lease	-	228	403	-	631
Trade and other payables	24,340	22,063	68,708	-	115,111
2014	24,340	22,291	69,111	-	115,742

Effective interest / yield rates for the financial liabilities are mentioned in the respective notes to the financial statements.

33.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

33.5 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company is currently financing majority of its operations through equity and working capital. The capital structure of the Company is equity based with no financing through long-term borrowings.

34. TRANSACTIONS WITH RELATED PARTIES

The related party of the Company comprise of parent company, associates, retirement funds, directors and key management personnel of the Company. Amounts due from and to related parties, amounts due from executives and remuneration of directors and executives are disclosed in the relevant notes.

Other material transactions with related parties are given below:

	December 31, 2015	December 31, 2014
	Rupees in '000	
Parent Company		
East West Group Holding Inc.		
Dividend paid	12,746	12,746
Associates		
Orkila Pakistan (Private) Limited		
Sale of goods	2,188	4,245
Commission on sales	1,018	3,040
Shipwell (Private) Limited		
Commission on sales	2,448	2,778
IAL Pakistan (Private) Limited		
Freight expenses	15	1,400
Transportation	885	-

35. DIVIDEND AND APPROPRIATION

In the meeting held on 17 March, 2016 the Board of Directors of the Company recommended a final cash dividend @ Nil (2014: 50%) amounting to Rs. Nil (2014: Re. 5 per share) for approval of the members at the Annual General Meeting to be held on 26 April, 2016.

36. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 17 March, 2016 by the Board of Directors of the Company.

37. GENERAL

37.1 Amounts have been rounded off to the nearest thousand rupees.

37.2 Provident fund

Size of the trust

Cost of investments made

Fair value of investments made

Percentage of investment made

	Un-audited December 31, 2015	Audited December 31, 2014
Rupees in '000		
	20,333	20,327
	20,000	20,000
	20,000	20,000
	98.36%	99.70%

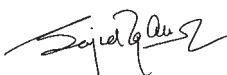
	2015		2014	
	Investment Rupees	% of investment as size of the fund	Investment Rupees	% of investment as size of the fund
Break-up of investments (as per section 227 of the Companies Ordinance, 1984)				
Special Saving Certificates	20,000	98.36%	20,000	99.70%

Investments out of provident fund have been made in accordance with the provision of the section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 8.33% of basic salary and cost of living allowance.

37.3 The total number of employees at the year-end were 81(2014: 83) and average number of employees during the year were 82 (2014: 84).

37.4 Because of nature of products and variations, it is impracticable to determine the production capacity of the plant.


Mohammad Moonis
CHAIRMAN


Sajid Iqbal Hussain
CHIEF EXECUTIVE


Khadim Hussain
CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDINGS

AS AT DECEMBER 31, 2015

	SIZE OF HOLDING Rs.10/- EACH	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE OF ISSUED CAPITAL
1	- 100	179	6,768	0.16
101	- 500	199	50,243	1.18
501	- 1,000	49	38,273	0.90
1,001	- 5,000	48	92,478	2.18
5,001	- 10,000	14	101,777	2.40
10,001	- 15,000	1	10,800	0.25
15,001	- 20,000	1	18,101	0.43
20,001	- 25,000	1	21,100	0.50
35,001	- 40,000	1	37,000	0.87
40,001	- 45,000	2	82,926	1.95
65,001	- 70,000	1	68,585	1.61
90,001	- 95,000	1	90,750	2.14
95,001	- 100,000	1	97,057	2.28
200,001	- 205,000	1	200,904	4.73
325,001	- 330,000	1	329,725	7.76
450,001	- 455,000	1	452,934	10.66
2,500,001	- 3,000,000	1	2,549,131	60.00
		<u>502</u>	<u>4,248,552</u>	<u>100.00</u>

ADDITIONAL INFORMATION

CATEGORY NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARES HELD	PERCENTAGE %
1	Individual	692,556	16.30
2	Joint Stock Companies	139,075	3.27
3	Directors, Chief Executive Officer, their Spouse and Minor Children		
	i. Mr. Mohammad Moonis	200,904	4.73
	ii. Mr. Shuaib Ahmed	452,934	10.66
	iii. Mr. Ozair Ahmed Hanafi	2,559	0.06
	iv. Mr. Mohammad Ali Hanafi	1,600	0.04
	v. Mr. M. Aslam Hanafi	49,976	1.18
	vi. Mr. Zaem A. Hanafi	500	0.01
	vii. Mr. Zahid Zaheer	1,000	0.02
	viii. Mr. Zubyr Soomro	500	0.01
	ix. Mrs. Kehkashan Hanafi	7,260	0.17
4	Associated Company	2,549,131	60.00
5	Banks, DFIs, NBFIs, Insurance Companies, Investment Cos., Modarbas & Mutual Fund	143,297	3.37
6	Charitable Trust	7,260	0.17
	Total	4,248,552	100.00

Shareholders holding 10% or more voting interest

East West Group Holdings Inc.	2,549,131	60.00
Mr. Shuaib Ahmed	452,934	10.66

PROXY FORM

53rd ANNUAL GENERAL MEETING OF THE COMPANY

I / We, _____ (Name)

of _____ (Address)

being a member of PAKISTAN GUM & CHEMICALS LIMITED and holder of _____
Ordinary Shares as per Register Folio No./CDC Participant's ID and Account No. _____

hereby appoint _____ (Name)

Of _____ (Address)

as my / our proxy to vote for me / us and on my / our behalf at the 53rd **ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, the 26th of April, 2016 and / or any adjournment thereof.

Signed by me / us this _____ Day of _____ 2016

Signature of Proxy

Witness: _____
(Signature)

Name: _____

Address: _____

Signature on
Revenue Stamp

Signature of Shareholder must be in
accordance with the Specimen
signature registered with the company

Note:

1. The proxy in order to be valid must be signed across five rupees revenue stamp and should be deposited with the Company not later than 48 hours before the time of holding the meeting.
2. CDC Shareholders and their proxies must attach either an attested photocopy of their CNIC or Passport with this Proxy Form.

مختارنامہ (پراکسی فارم)

کمپنی کا ۵۳ واں عام اجلاس

میں / ہم _____
(نام)

برائے _____
(پتہ)

_____ بہیثیت شراکت دار پاکستان گم اینڈ کیمیکلز لمیٹڈ موجودہ حصص
_____ آرڈنری حصص بطور شیئر رجسٹر فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر

_____ تقرری کرتا / کرتی ہوں / کرتے ہیں
(نام)

برائے _____
(پتہ)

میری / ہماری پراکسی کے طور پر میری / ہماری جانب سے کمپنی کے ۵۳ ویں سالانہ اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کی، جو بروز منگل،
مورخہ ۲۶ اپریل بمطابق ۱۰ بجے ہو یا اس میں کوئی تبدیلی لائی جائے

میرے / ہمارے دستخط _____ مورخہ _____ ۲۰۱۶



(ریونیٹکٹ چسپاں کر کے اس پر دستخط کریں)

پراکسی کے دستخط

گواہ کے دستخط _____

نام _____

پتہ _____

اہم نکات:

۱۔ پراکسی فارم ہر لحاظ سے مکمل و درست صورت میں بمہ ۵ روپے کے ریونیٹکٹ کے کمپنی کے رجسٹرڈ پتہ پر اجلاس سے ۴۸ گھنٹے قبل جمع کرانا لازمی ہے

۲۔ سی ڈی سی اکاؤنٹ ہولڈرز سے گزارش ہے کہ وہ اپنے قومی شناختی کارڈ / پاسپورٹ کی مصدقہ کاپی پراکسی فارم کے ساتھ ضرور منسلک کریں



PAKISTAN GUM & CHEMICALS LIMITED

1963 - 2015

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, MARKETING@PAKCHEM.COM.PK