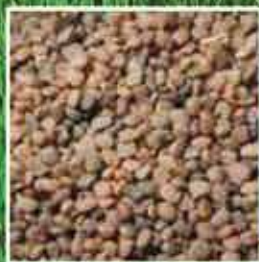




Annual Report 2016



GUAR SEED



GUAR SPLITS



GUAR GUM



GUAR MEAL



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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, 2016

Board of Directors

Mohammad Moonis	Chairman
Shuaib Ahmed	Director
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

Manzoor Ahmed

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisor

Azizuddin & Co.

Bankers

Askari Bank Limited
Habib Bank Limited
MCB 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 / Head 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

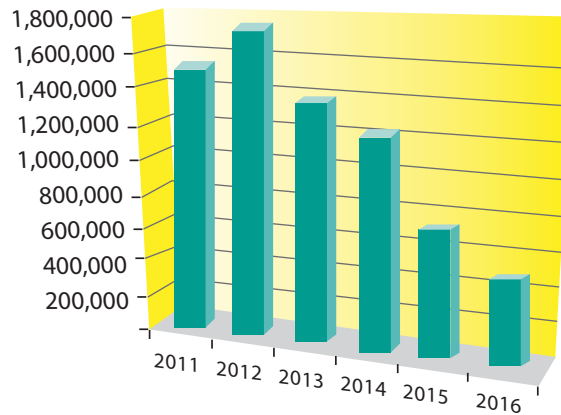
(Rupees in Thousands)

	2016	2015	2014	2013	2012	2011
Operating assets	105,950	122,331	134,801	59,524	57,557	49,110
Capital work-in-progress	6,025	6,025	6,637	81,400	30,815	317
Long-term Security Deposits	878	878	878	862	862	778
Net current and other assets	238,004	316,402	405,411	349,925	370,360	198,929
Total assets employed	350,857	445,636	547,727	491,711	459,594	249,134
Ordinary capital	42,486	42,486	42,486	42,486	42,486	42,486
Reserves	306,248	400,302	501,635	448,581	413,931	206,648
Non-Current liabilities	2,123	2,848	3,606	644	3,177	-
Total funds employed	350,857	445,636	547,727	491,711	459,594	249,134
Net turnover	486,457	684,144	1,187,576	1,317,205	1,726,433	1,450,778
(Loss) / Profit before taxation	(90,786)	(71,149)	91,359	92,549	269,311	156,393
% of net sales	(18.66)	(10.40)	7.69	7.03	15.60	10.78
% of average assets employed	(22.80)	(14.32)	17.58	19.46	76.00	84.46
(Loss) / Profit after taxation	(94,951)	(75,471)	77,521	76,441	246,177	127,929
Cash dividend - amount	-	-	21,243	21,243	42,486	33,989
Bonus Shares - %	-	-	-	-	-	-
Right Shares - %	-	-	-	-	-	-
Cash dividend - %	-	-	50	50	100	80
(Loss) / Earnings per share Rs.	(22.35)	(17.76)	18.25	17.99	57.94	30.11
Break-up value	82.58	104.89	128.92	115.73	108.18	58.64
No. of shares	4,249	4,249	4,249	4,249	4,249	4,249

GRAPHICAL PRESENTATION

Sales -Net

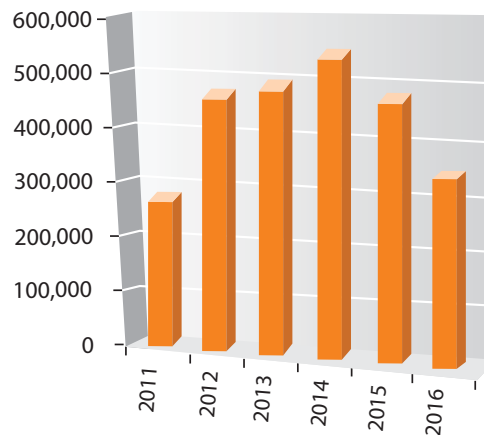
Rupees in '000



	2011	2012	2013	2014	2015	2016
■ Sales - Net	1,450,778	1,726,433	1,317,205	1,187,576	684,144	486,457

Shareholders Equity

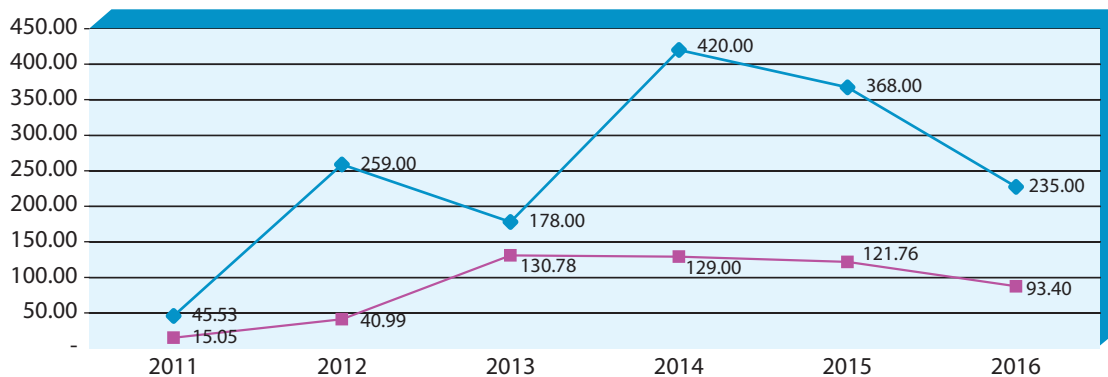
Rupees in '000



	2011	2012	2013	2014	2015	2016
■ Shareholders Equity	249,134	456,417	491,067	544,121	442,788	348,734

Share Price Movement

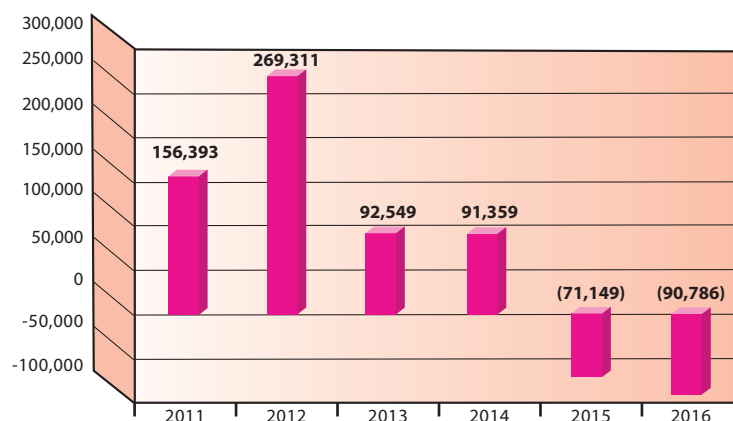
Rupees



	2011	2012	2013	2014	2015	2016
◆ High	45.53	259.00	178.00	420.00	368.00	235.00
■ Low	15.05	40.99	130.78	129.00	121.76	93.40

Profit/(loss) Before Taxation

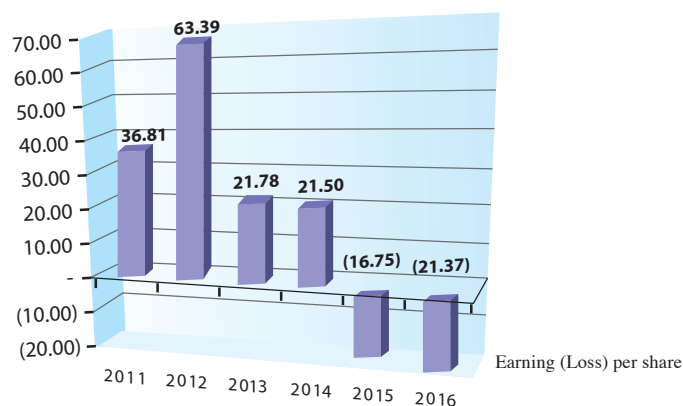
Rupees in '000



	2011	2012	2013	2014	2015	2016
Profit/(Loss) before taxation	156,393	269,311	92,549	91,359	(71,149)	(90,786)

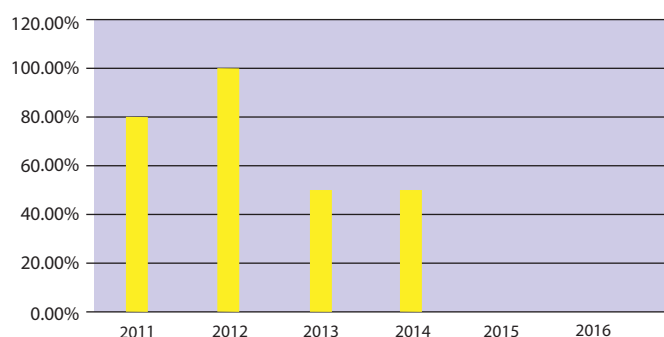
Earning/(loss) per share based on before taxation

Rupees



	2011	2012	2013	2014	2015	2016
Earning per share	36.81	63.39	21.78	21.50	(16.75)	(21.37)

Dividend Payout



	2011	2012	2013	2014	2015	2016
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	80.0%	100.0%	50.0%	50.0%	0.0%	0.0%

NOTICE OF MEETING

Notice is hereby given that the 54th Annual General Meeting of Pakistan Gum & Chemicals Limited, will be held on Tuesday, 25 April, 2017 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 confirm the Minutes of Extra-ordinary General meeting held on March 30, 2017 and 53rd Annual General Meeting held on April 26, 2016.
2. To consider and adopt the Annual Audited Financial Statements of the company for the year ended 31 December, 2016 together with Directors' and Auditors' reports thereon.
3. To appoint external auditors for the year ending December 31, 2017 and to fix their remuneration.

A member has given Notice under Section 253 of the Companies Ordinance, 1984, proposing the name of M/s KPMG Taseer Hadi & Co. Chartered Accountants as external auditor of the Company in place of retiring auditor M/s EY Ford Rhodes Chartered Accountants who retire after completion of their term.

4. To transact any other ordinary business as may be placed before the meeting with the permission of the Chair.

By Order of the Board



Manzoor Ahmed
Company Secretary
Karachi: 16 March, 2017

Notes:

1. The Share Transfer Books of the Company will remain closed from 18 April, 2017 to 25 April, 2017 (both days inclusive). Transfers received in order by our registrar M/s JWAFS Registrar Services (Pvt) Limited 407-408 Al-Ameera Center, Shara-e-Iraq, Saddar Karachi, at the close of business on April 17, 2017 will be treated in time for the purpose of attending the meeting.
2. CDC shareholders are requested to bring their original CNIC, Account No., 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.

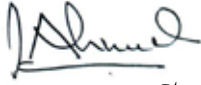
سالانہ اجلاس عام کی اطلاع

پاکستان گم اینڈ کیمیکلز لمیٹڈ کا 54 واں سالانہ اجلاس عام بروز منگل مورخہ 25 اپریل 2017ء 10:00 بجے کمپنی کے رجسٹرڈ آفس، B-19/A ارشاد قادری روڈ، سائینٹ، کراچی، میں درج ذیل معاملات طے کرنے کے لئے منعقد ہوگا۔

عام کاروبار:

- ۱- کمپنی کے غیر معمولی اجلاس جو کہ ۳۰ مارچ ۲۰۱۷ کو ہوا اور سالانہ عام اجلاس جو کہ ۲۶ اپریل ۲۰۱۶ کو ہوا دونوں کے منٹس کی تصدیق
 - ۲- 31 دسمبر 2016ء کے ختم پزیر سال کے آڈٹ شدہ اکاؤنٹس بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹس پر غور اور منظوری۔
 - ۳- اختتامی سال 31 دسمبر 2017ء کے لئے آڈیٹرز کا تقرری اور مشاہرے کا تعین۔
- کمپنی کے ایک ممبر کے ٹیکینیٹیز آرڈیننس ۱۹۸۴ کی ذریعہ ۲۵۳ کے تحت میسرز KPMG Taseer Hadi & Co. چارٹرڈ اکاؤنٹنٹس کا نام سبکدوش ہونے والے آڈیٹرز EY Ford Rhodes چارٹرڈ اکاؤنٹنٹس کی جگہ تجویز کیا ہے جو کہ اپنی معیاد مکمل کر چکے ہیں۔
- ۴- چیرمین کی اجازت سے کسی اور عام کاروبار پر عملدرآمد۔

بحکم برائے بورڈ



منظور احمد

کمپنی سیکریٹری

کراچی: 16 مارچ 2017ء

نوٹ:

- ۱- کمپنی کی شیئر ٹرانسفر بکس 18 اپریل 2017ء تا 25 اپریل 2017ء بشمول دونوں دن بند رکھی جائیں گی۔ ٹرانسفرز جو کہ ترتیب میں JWAFS Registrar Services (Pvt.) Limited, 407-408, Al Ameera Centre, Saddar, Karachi تک ۱۷ اپریل ۲۰۱۷ کو پہنچ جائینگے بروقت قرار دیئے جائینگے اور میٹنگ میں حاضری کے اہل ہونگے۔
- ۲- CDC حصہ داروں سے گزارش کی جاتی ہے کہ وہ اپنا کمپیوٹرائزڈ شناختی کارڈ، اپنا اکاؤنٹ یا ذیلی اکاؤنٹ نمبر اور سینٹرل ڈیپوزیٹری سسٹم میں شرکت کرنے والے کا نمبر شناخت کے لئے ہمراہ لیکر اجلاس میں شرکت کریں۔ Corporate Entity ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ، نامزد افراد کے نمونہ دستخط، اجلاس میں شرکت کے وقت حاضر کرنے ہونگے۔
- ۳- عام اجلاس میں شرکت اور ووٹ دہندہ ممبر اپنی شرکت کرنے، بولنے اور ووٹ دینے کے لئے پر کسی کا تقرر کر سکتے ہیں۔ ضروری نہیں کہ یہ تقرری کسی ممبر ہی کی ہو ایسی تقرری کی اطلاع کمپنی کے رجسٹرڈ آفس میں میٹنگ سے کم از کم اڑتالیس گھنٹے قبل داخل کرنی لازمی ہے۔
- ۴- حصہ داروں سے گزارش ہے کہ اگر ان کے موجودہ پتے میں کوئی تبدیلی ہوئی ہے تو اس کی اطلاع فوری طور پر کمپنی کو کریں۔

SECP نے بزرگیوٹیفیکیشن 2014(SRO787(I))، آڈٹ شدہ مالیاتی حسابات کو سالانہ اجلاس عام کے نوٹس کے ہمراہ ممبران کو بزرگیوٹیفیکیشن ارسال کرنے کی اجازت دی ہے لہذا تمام ممبران جو سالانہ رپورٹ کی سوخت کا پی وصول کرنے کے خواہشمند ہوں ان سے درخواست ہے کہ اپنے ای میل ایڈریس ارسال کر دیں۔ الیکٹرانک ٹرانسمیشن کے لئے اجازت نامہ کے فارم کمپنی کی ویب سائٹ www.pakchem.com.pk سے ڈاؤن لوڈ کئے جاسکتے ہیں۔ آڈٹ شدہ مالیاتی حسابات اور رپورٹس مذکورہ ویب سائٹ پر مہیا کی جارہی ہے۔

CDC ممبران مزید پیروی کے لئے SECP کے سرکلر نمبر مورخہ ۲۶ جنوری ۲۰۰۰ء سے مدد لے سکتے ہیں۔

پاکستان گم اینڈ کیمیکلز لمیٹڈ، B-19/A، ارشاد قادری روڈ، سائینٹ، کراچی۔

فون نمبر: 32561124-26، فیکس نمبر: 32561320، ای میل: info@pakchem.com.pk

DIRECTORS' REPORT

On behalf of the Board of Directors, it is my pleasure to welcome you to the 54th Annual General Meeting of the Company.

Business Review

Net sales during the year were Rs.486 million compared to Rs.684 million for the previous year, a reduction of 29% compared with the last year. This reflects substantial fall in demand even at the reduced selling price. This has resulted in Net Loss after tax of Rs.95 million compared to after tax loss of Rs.75 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 have been making distress sales at very low price which is adversely impacting our sales both in quantity and price. Overseas customers have been 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 under clause (xvi), we are pleased to report the following:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, 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 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 any departure therefrom 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 Company has incurred a net loss of Rs. 95 million (loss in 2015: Rs.75 million). The Management believes that the above adverse results are due to low prices in international market, reasons being the decline in international crude oil prices and decrease in demand for industrial grade products from the hydraulic fracturing industry. However, the Management believes that the decline in international oil prices and resulting demand is considered to be temporary and the Company will be able to achieve the desired level of profitability in the future based on the plans drawn by the management.
- The operating results for the year reflected net loss after tax of Rs.95 million compared to after tax loss of Rs.75 million in the previous year, reasons for which have been given under Business Review.
- Key operating and financial data of last six years are summarized.
- The Company operates funded gratuity, pension and provident fund schemes for its eligible employees. The fair value of investments amounted to Rs.55.2 million as at December 31, 2016.
- The number of board and Committees' meetings held during the year and attendance of these meetings is as follows:

Name	Attendance		
	Board Meeting	Board Audit Committee	HR & Remuneration Committee
Mr. Mohammad Moonis (Chairman)	5/5		
Mr. Shuaib Ahmed (Director) / Vice Chairman	5/5		1/1
Mr. Ozair Ahmed Hanafi (Director)	4/5		
Mr. Mohammed Aslam Hanafi (Executive Director)	4/5		
Mr. Mohammad Ali Hanafi (Director)	4/5		
Mr. Tariq Mohamed Amin (Director) / Chairman BAC	5/5	3/4	1/1
Mr. Zaeem Ahmad Hanafi (Director)	4/5	3/4	
Mr. Zahid Zaheer (Director) / Chairman HR&RC	5/5	4/4	1/1
Mr. Zubyr Soomro (Director)	3/5	3/4	0/1
Mr. Sajid Iqbal Hussain (Managing Director/Chief Executive)	5/5	4/4	1/1

By invitation By invitation

- No trades in share of the Company were carried out by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit 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 overseas customers has had encouraging response and expect that to materialize in new profitable business.

Appropriations

	Rupees in '000
Net (Loss) for the year before taxation	(90,786)
Provision for taxation	(4,165)
	<hr/>
Net (Loss) for the year after taxation	(94,951)
Other comprehensive income	897
	<hr/>
	(94,054)
Appropriations	
Proposed Cash Dividend	-
Proposed Bonus Shares	-
Transfer to General Reserve	-
	<hr/>
	-
(Loss) carried forward	<hr/>
	(94,054)
	<hr/>
Basic (Loss) per share (Rupees)	<hr/>
	(22.35)

Pattern of shareholdings

The pattern of shareholdings of the Company as at December 31, 2016 is given on page 47 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. EY Ford Rhodes, Chartered Accountants, retire after completion of their term. The external auditors have confirmed that:

- They have been awarded a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP).
- Neither EY Ford Rhodes, Chartered Accountants (the Firm) nor any of its partners or their spouses or minor children, at any time during the year, held, purchased, sold or took any position in the shares of the Company or any of its associated companies or undertakings;
- The Firm and all its Partners are in compliance with the International Federation of Accountants (IFAC) Guidelines on code of ethics as adopted by the ICAP; and
- The Firm or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and that IFAC Guidelines in this regard have been observed.

The Board records its appreciation for the valuable services rendered by EY Ford Rhodes Chartered Accountants.

In line with the requirement of the Code of Corporate Governance, the Board Audit Committee has recommended the appointment of KPMG Taseer Hadi & Co. Chartered Accountants, as auditors of the Company for the year ending December 31, 2017 and the Board endorses the same.

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

Karachi: 16 March, 2017



Mohammad Moonis
Chairman

ڈائریکٹرز کا جائزہ

میں بورڈ آف ڈائریکٹرز کی جانب سے ۳۱ دسمبر ۲۰۱۶ کو ختم ہونے والے سالانہ ڈیٹیلڈ مالیاتی گوشوارے جو کے ای وائی فور ڈیوڈز، چارٹرڈ اکاؤنٹینٹس کے جائزے پر مشتمل ہیں، پیش کر رہا ہوں۔

کاروباری جائزہ

دوران سال حتمی فروخت ۲۸۶ ملین روپے رہی جو گزشتہ سال اس دوران ۶۸۳ ملین روپے تھی، جو گزشتہ سال کی نسبت ۲۹ فیصد کم رہی۔ یہ شرح ہماری مصنوعات کی مانگ میں شدید کمی کی عکاسی کرتی ہے۔ اس کے نتیجے میں کمپنی کو ٹیکس کی ادائیگی کے بعد ۹۵ ملین روپے کا خسارہ ہوا جبکہ گزشتہ سال اس ہی دوران یہ خسارہ ۷۵ ملین روپے تھا۔ یہ نتائج گرچہ مایوس کن ضرور ہیں مگر غیر متوقعہ نہیں۔ جیسا کہ ہم پہلے بھی آگاہ کر چکے ہیں کے یہ نتائج اس بات کی عکاسی کرتے ہیں کہ گوار کی مصنوعات کی قیمتوں اور منافع کی شرح میں شدید کمی ہوئی ہے۔ دوسری جانب ہندوستانی مارکیٹ بھی بری طرح متاثر ہوئی جہاں گوار کی مصنوعات بنانے والے بہت کم قیمتوں پر فروخت جاری رکھے ہوئے ہیں جس کے باعث ہماری فروخت کا حجم اور قیمت بھی بری طرح متاثر ہو رہی ہے۔ غیر ملکی گاہک گوار کی مصنوعات کی قیمتوں میں کمی کی امید پر تذبذب کا شکار ہیں اور گوار کے بیج کے فروخت کنندگان اس کی قیمتوں میں اضافہ کی آس پر فروختی روک کر بیٹھے ہیں۔ تاہم انتظامیہ موجودہ گوار کی قیمتوں پر نظر رکھے ہوئے ہیں اور محتاط طور پر خریداری کر رہی ہے تاکہ کسی بھی خسارہ سے بچا جاسکے۔

کارپوریٹ گورننس کے ضوابط پر عملدرآمد

- کارپوریٹ گورننس کی مطلوبہ ۱۶ کے تحت کمپنی ضابطہ اخلاق پر درج ذیل امور کے تحت عملدرآمد کرتی ہے
- مالیاتی گوشوارے شفاف انداز میں کمپنی کے کاروباری امور، اس کے آپریشنز، نقد بہاؤ اور ایکٹیوٹی میں تبدیلی کے نتائج کو پیش کرتے ہیں۔
- کمپنی کے حسابات کی باقاعدہ کتب تشکیل دی گئی ہیں
- درست اکاؤنٹنگ پالیسیاں، جیسا کہ مالیاتی گوشواروں کے نوٹ میں درج ہیں، مستقل طور پر مالیاتی گوشواروں کی تیاری میں لاگو کی جاتی ہیں اور اکاؤنٹنگ کے تخمینہ جات درست اور محتاط فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں بین القوامی مالیاتی رپورٹنگ اسٹینڈرڈز پر عملدرآمد کیا جاتا ہے اور اس سے کسی بھی انحراف کے بارے میں مناسب جواز پیش کیا جاتا ہے۔
- اندرونی کنٹرول کا نظام مستحکم طور پر تیار کیا گیا ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کے چلنے رہنے کی صلاحیت پر قطع کوئی شبہ نہیں ہے۔ کمپنی کو اس سال حتمی طور پر ۹۵ ملین روپے کا خسارہ ہوا (خسارہ برائے سال ۲۰۱۵: ۷۵ ملین روپے)۔ انتظامیہ کے مطابق اس مدت کے نتائج اس بات کی عکاسی کرتے ہیں کہ گوار کی مصنوعات کی قیمتوں میں کمی آئی ہے جس نے اس ہی تناسب سے ہمارے منافع کو بھی متاثر کیا ہے۔ اس کی ایک اور اہم وجہ بیرون ملک خام تیل کی قیمتوں میں کمی ہے جس نے ہائیز روٹ فریکچرنگ صنعت کی جانب سے ہماری مصنوعات کی مانگ کو کمسرخم کر دیا ہے۔ تاہم انتظامیہ کو یقین ہے کہ بین القوامی طور پر تیل کی قیمتوں میں مندی جزوی ہے اور جوں ہی اس میں اضافہ ہوگا اس کی مانگ میں بھی اضافہ ہو جائے گا اور کمپنی اپنے متوقعہ ہدف پورا کرنے میں کامیاب ہو پائے گی۔
- کمپنی کا حتمی خسارہ اس سال ۹۵ ملین روپے رہا جو گزشتہ سال اس معیار میں ۷۵ ملین روپے تھا جس کی وجوہات کاروباری جائزے میں بیان کی جا چکی ہے۔
- اہم اموری اور مالی اعداد و شمار برائے ۶ سال کا خلاصہ پیش کر دیا گیا ہے
- کمپنی میں اہل ملازمین کے لئے فنڈڈ ریگریجویٹی، پینشن اور پروویڈنٹ فنڈ کی سہولت موجود ہے جس کی مناسب مالیت ۳۱ دسمبر ۲۰۱۶ کو ۲۰۵۵ ملین روپے رہی۔
- اس سال بورڈ اور کمیٹیوں کی ہونے والی میٹنگ کی تعداد اور حاضری کی تفصیلات مندرجہ ذیل ہیں:

حاضریاں

نام	بورڈ میٹنگ	آڈٹ کمیٹی میٹنگ	ایچ آر اینڈ آر کمیٹی میٹنگ
جناب محمد منوں	۵/۵		
جناب شعیب احمد	۵/۵		۱/۱
جناب عزیز احمد خٹھی	۴/۵		
جناب محمد اسم خٹھی	۴/۵		
جناب محمد علی خٹھی	۴/۵		
جناب طارق محمد امین	۵/۵	۳/۴	۱/۱
جناب زاہد ظہیر	۵/۵	۴/۴	۱/۱
جناب زبیر احمد خٹھی	۴/۵	۳/۴	
جناب زبیر سومرو	۳/۵	۳/۴	۰/۱
جناب ساجد اقبال حسین	۵/۵	۴/۴	۱/۱
		بزرگ عدوت نامہ	بزرگ عدوت نامہ

دوران سال کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانسئیل آفیسر، کمپنی سیکریٹری، ہیڈ آف انٹرنل آڈیٹر، یا انتہام کی زوجہ اور نابالغ بچوں میں سے کسی نے بھی کمپنی کے حصص کی خرید و فروخت نہیں کی۔

منافع مقسمہ

اس سال کے خصا رہ کو مد نثر رکھتے ہوئے بورڈ نے منافع کی ادا نیگی کی سفارش نہیں کی۔

امکانات مستقبل

کمپنی کی انتظامیہ ان نامصاعر حالات سے بخوبی آگاہ ہے۔ غیر ملکی دوروں اور موجودہ اور متوقعہ گاہکوں سے ملاقاتوں کے بعد انتظامیہ پر امید ہے کہ نئے سودوں کی بدولت ہم منافع کر پائیں گے۔

ایپروپریٹنس

Rs.'000	
(۹۰,۷۸۶)	کل خصا رہ قبل ٹیکس
(۴,۱۶۵)	ٹیکس کا تخمینہ
(۹۴,۹۵۱)	حتمی خصا رہ بمعہ ٹیکس
۸۹۷	دیگر منافع
(۹۴,۰۵۴)	ایپروپریٹنس
-	مجوزہ نقد منافع
-	مجوزہ بونس حصص
-	مجوزہ رائیٹ حصص
-	
(۹۴,۰۵۴)	آگے لے جانے والا خصا رہ
(۲۲,۳۵)	بنیادی خصا رہ فی حصص (روپیہ)

حصص داری کی تفصیلات

کمپنی کی پیٹرن آف شیر ہولڈنگ کی تفصیلات صفحہ نمبر ۷۷ پر منسلک کردی گئی ہیں۔

ہولڈنگ کمپنی

ایسٹ ویسٹ گروپ ہولڈنگ انکورپوریشن، ایک کمپنی، جو کہ برٹیش ورجن جزیرہ یو کے میں ہے کمپنی کی پرائیمری حصہ دار ہے۔

آڈیٹرز

ای وائی فورڈر روڈز چارٹرڈ اکاؤنٹنٹس جو کہ اپنی معیاد مکمل کر چکے ہیں، نے بحیثیت بیرونی آڈیٹرز تصدیق کی ہے کہ:

۔ انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس پاکستان انکی کارکردگی سے مطمئن ہیں

۔ ای وائی فورڈر ہوڈز، چارٹرڈ اکاؤنٹنٹس، اس کے کسی بھی شراکت دار، اسکے اسپاؤزیٹا یا نابالغ بچوں میں سے کسی نے بھی دوران سال آڈٹ کمپنی یا اس کی منسلکہ کسی بھی کمپنی کے حصص کی خرید و فروخت نہیں کی۔
 فرم یا اسکے تمام شراکت دار (IFAC) International Federation of Accountants کے دئے ہوئے ہدایت نامہ کی جو کے آئی کیپ نے بھی لازمی کیا ہے کی پاسداری کرتے ہیں۔
 فرم یا اس سے منسلک کوئی بھی فرد کبھی بھی کسی اور خدمت کا مجاز نہیں ہوا جیسا کہ لسٹنگ ریگولیشن اور آئی ایف اے سی میں درج کیا گیا ہے۔

بورڈ نے ای وائی فورڈر ہوڈز، چارٹرڈ اکاؤنٹنٹس کی خدمات کو سراہا۔

کوڈ آف کارپوریٹ گورننس کے مطابق آڈٹ کمیٹی نے کے پی ایم جی تا سیر ہادی کا نام بطور آڈیٹرز سال ۲۰۱۷ تجویز کیا ہے اور بورڈ نے ان کی تجویز مان لی ہے۔

اعتراف

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 مونس
چیرمین

ساجد اقبال حسین
چیف ایگزیکٹو

کراچی: مورخہ ۱۶ مارچ، ۲۰۱۷

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Name of company: PAKISTAN GUM & CHEMICALS LIMITED
Year ending: DECEMBER 31, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19.24 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:

1. 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 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. 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 Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy arose on the Board during the year.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps are taken to disseminate it throughout the company along with its supporting policies and procedures.
6. 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.
7. 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.
8. 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.
9. Five directors have claimed exemption from directors' training course as specified in clause (xi) of the Code and one of the directors was granted exemption by the SECP from the Certification requirement under the CCG. Two directors have already attended the directors' training course. The remaining two directors are planned to attend the directors' training course by June 30, 2018.
10. The Board has approved appointment of CFO / Company Secretary. The remuneration and terms and conditions of employment of the CFO/Company Secretary and Head of Internal Audit, have been approved by the Board of Directors.

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 including an independent director, 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. Subsequent to the year ended 31 December 2016, the terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises of four members including an independent director, all of whom are non-executive directors.
18. The Board has set up an effective internal audit function. The Head of Internal Audit 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. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied except for the matter stated in point 16 above towards which reasonable progress is being made by the Company to seek compliance before the end of the next accounting year.



Sajid Iqbal Hussain
Chief Executive



Mohammad Moonis
Chairman

Karachi: 16 March, 2016



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Chartered Accountants
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Review report to the members on statement of compliance with the code of corporate governance

We have reviewed the enclosed Statement of Compliance (the Statement) 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 2016** to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.24 (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 2016**.

Further, we draw attention to Clauses 16 and 24 of the Statement which explains the status of approval of terms of reference of the committee.

Chartered Accountants

Date: 16 March 2017

Place: Karachi



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Auditors' report to the members

We have audited the annexed balance sheet of **Pakistan Gum and Chemicals Limited** (the Company) as at **31 December 2016** 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 changes 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 2016** 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.

Chartered Accountants
Audit Engagement Partner: Arif Nazeer
Date: 16 March 2017
Karachi

A member firm of Ernst & Young Global Limited


BALANCE SHEET AS AT DECEMBER 31, 2016

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	111,975	128,356
Long-term security deposits	6	878	878
		112,853	129,234
CURRENT ASSETS			
Stores and spares	7	5,007	7,172
Stock-in-trade	8	111,899	142,348
Trade debts	9	33,763	46,373
Loans and advances	10	1,753	1,114
Short-term prepayments	11	665	862
Other receivables	12	4,896	6,563
Short-term investment	13	90,376	115,368
Taxation – net		33,664	34,280
Cash and bank balances	14	43,861	17,822
		325,884	371,902
TOTAL ASSETS		438,737	501,136
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
10,000,000 (2015: 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	306,248	400,302
		348,734	442,788
NON-CURRENT LIABILITIES			
Deferred taxation	17	2,123	2,848
CURRENT LIABILITIES			
Trade and other payables	18	87,880	55,500
CONTINGENCIES AND COMMITMENTS			
	19		
TOTAL EQUITY AND LIABILITIES		438,737	501,136

The annexed notes 1 to 35 form an integral part of these financial statements.



Mohammad Moonis
CHAIRMAN



Sajid Iqbal Hussain
CHIEF EXECUTIVE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
Sales – net	20	486,457	684,144
Cost of sales	21	(519,780)	(697,845)
Gross loss		(33,323)	(13,701)
Shipping expenses	22	(16,309)	(14,921)
Administrative expenses	23	(47,310)	(46,591)
Other charges	24	(376)	(399)
Finance costs	25	(1,687)	(1,901)
Other income	26	8,219	6,364
		(57,463)	(57,448)
(Loss) before taxation		(90,786)	(71,149)
Taxation	27	(4,165)	(4,322)
(Loss) for the year		(94,951)	(75,471)
Rupees			
(Loss) per share – Basic and Diluted	28	(22.35)	(17.76)

The annexed notes 1 to 35 form an integral part of these financial statements.



Mohammad Moonis
CHAIRMAN



Sajid Iqbal Hussain
CHIEF EXECUTIVE

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2016

	December 31, 2016	December 31, 2015
	Rupees in '000	
Net (loss) for the year	(94,951)	(75,471)
Items not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain / (loss) on defined benefit obligation	897	(4,619)
Total comprehensive (loss) for the year	(94,054)	(80,090)

The annexed notes 1 to 35 form an integral part of these financial statements.



Mohammad Moonis
CHAIRMAN



Sajid Iqbal Hussain
CHIEF EXECUTIVE

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	139	105,125
Income tax paid		(4,274)	(20,048)
Bonus paid		(2,942)	(14,742)
Compensated absences paid		(452)	-
Net cash (used in) / generated from operating activities		(7,529)	70,335
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		-	(4,818)
Sale proceeds from disposal of operating fixed assets		2,223	2,473
Interest income received		8,032	4,345
Net cash generated from investing activities		10,255	2,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease obligations		-	(631)
Finance costs paid		(1,687)	(1,901)
Dividend paid		-	(21,243)
Net cash used in financing activities		(1,687)	(23,775)
Net increase in cash and cash equivalents		1,039	48,560
Cash and cash equivalents at the beginning of the year		127,822	79,262
Cash and cash equivalents at the end of the year	30	128,861	127,822

The annexed notes 1 to 35 form an integral part of these financial statements.



Mohammad Moonis
CHAIRMAN



Sajid Iqbal Hussain
CHIEF EXECUTIVE


STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

	Share capital	Capital reserve	Revenue Reserves		Total
			General reserve	Accumulated (Loss)	
	-----Rupees'000-----				
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
Net loss for the year	-	-	-	(94,951)	(94,951)
Other comprehensive income	-	-	-	897	897
Total comprehensive loss for the year	-	-	-	(94,054)	(94,054)
Balance as at December 31, 2016	42,486	17,553	462,839	(174,144)	348,734

The annexed notes 1 to 35 form an integral part of these financial statements.



Mohammad Moonis
CHAIRMAN



Sajid Iqbal Hussain
CHIEF EXECUTIVE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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 and factory 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 of defined benefit obligation as reduced by fair value of plan assets as stated in note 4.12 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 where assumptions and estimates are significant to the financial statements are as follows:

(i) Going Concern Assumption

During the year, the company has incurred the net loss of Rs. 94.951 million (2015: Rs. 74.751 million). The management believes that the company has the resources to continue its business and furthermore, the loss is due to decrease in demand owing to decrease in crude oil prices in international market, which is temporary, thus the management is confident that the company will be able to achieve the desired level of profitability in the future based on the plans drawn by the management.

(ii) Staff Retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 18.2 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.

(iii) Determining the residual values, useful live 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.

(iv) 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.

(v) 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.

Other areas where judgements, estimates and assumptions involved are disclosed in respective notes to the financial statements.

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, 2016

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 which became effective during the year:

- 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)
- 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 27 - Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)

Annual improvements to IFRSs 2012-2014 Cycle

- 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 standards, amendments and improvements do not have any material 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 2 – Classification and Measurement of Share Based Payment Transactions (Amendment)	01 January 2018
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)	Yet not finalised
IFRS 7 – Financial Instruments: Disclosures - Disclosure Initiative (Amendment)	01 January 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017

The Company expects that the adoption of the above standards and amendments will not have any material impact on the Company's financial statements in the period of initial application. Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (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, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

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 derecognition of assets during the year, depreciation is charged from the month of acquisition and up to the month preceding the derecognition respectively.

The carrying amounts of the property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. An asset carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. 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. Gains and losses on disposal of fixed assets, if any, are taken to profit and loss account.

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

Maintenance and normal repairs are charged to profit and loss account as and when incurred, whereas major renewals are capitalized to the relevant category of operating fixed assets, if recognition criteria is met.

Leased

These are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligations under the lease less financial charges allocated to future periods are shown as liabilities. These financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding 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. Capital work-in-progress are transferred to relevant category of operating fixed assets, when they are available for use.

4.5. Impairment

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed recoverable amount, assets are written down to the recoverable amount and the difference is charged to profit and loss account for the year.

4.6. Stores and spares

These are valued at lower of weighted (moving) average cost and net realizable value less provision for slow moving and obsolete items wherever necessary. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost to sell, which is generally equivalent to replacement cost. Items in transit are valued at cost plus other charges incurred thereon upto balance sheet date.

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. 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.

4.9. Loans, advances and deposits

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 recognized in profit and loss account for the difference between the recoverable amount and the carrying value, if recoverable amount is greater than the carrying value.

4.10. 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.

4.11. 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 directly attributable transactions costs. Subsequently, these are carried at amortised cost using effective interest rate method less impairment losses, if any. Amortised cost is re-calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of effective interest rate (EIR). The effective interest rate amortization is included in profit and loss account. The losses arising from impairment are also recognized in profit and loss.

4.12. Employee benefits

(a) Defined contribution plan

Provident Fund

The Company operates an approved contributory provident fund for all permanent and eligible employees of the company. Equal monthly contributions are made by both the company and the employee at the rate of 8.33% per annum of the basic salary.

(b) Defined benefit plans

The Company operates the following approved funded schemes:

- (i) pension scheme for its Executives and Executive Director. The scheme provides pension based on the employees' last drawn salary. Provision is made, annually, to cover obligations under the scheme calculated in accordance with the actuarial valuation. The actuarial valuation is carried using Projected Unit Credit Method. The amount recognized in the balance sheet represents the present value of defined benefit obligation as reduced by fair value of plan assets. Actuarial gain or losses are immediately recognized as 'other comprehensive income' as they occur. Current service costs and any past service costs together with net interest cost are charged to profit and loss account;

- (ii) gratuity scheme for all eligible employees of the Company. Provision is made, annually, to cover obligations under the scheme calculated in accordance with the actuarial valuation. The actuarial valuation is carried using Projected Unit Credit Method. The amount recognized in the balance sheet represents the present value of defined benefit obligation as reduced by fair value of plan assets. Actuarial gain or losses are immediately recognized as 'other comprehensive income' as they occur. Current service costs and any past service costs together with net interest cost are charged to profit and loss account; and

Remeasurement 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.

4.13. 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 recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The company recognizes a deferred tax asset to the extent that it is probable that taxable profits of the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognized outside profit and loss account is recognized outside profit and loss account. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

4.14. 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.

4.15. 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. Provisions are reviewed each year and adjusted prospectively, if appropriate.

4.16. 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 risks and rewards to the customers which generally coincides with dispatch of goods to the customers.
- Return on bank deposits and term deposit receipts are recognised using effective interest rate method.

4.17. 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.

4.18. 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.

4.19. 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 profit and loss account. 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.

4.20. Dividend and other appropriation

Dividends and other appropriation to reserves are recognised in the financial statements in the period in which these are approved. However, if they are approved after the reporting period but before the financial statements are authorized for issue, they are disclosed in the notes to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
Operating fixed assets	5.1	105,950	122,331
Capital work-in-progress	5.2	6,025	6,025
		<u>111,975</u>	<u>128,356</u>

5.1 Operating fixed assets

	COST		Rate %	ACCUMULATED DEPRECIATION		WRITTEN DOWN VALUE As at December 31, 2016
	As at January 01, 2016	Additions/ transfers (Disposals) December 31, 2016		As at January 01, 2016	Charge for the year (Disposals) / Transfers December 31, 2016	
Rupees in '000						
DECEMBER 31, 2016						
Owned						
Leasehold land	225	-	1.01	116	2	118
Building on leasehold land	62,774	-	3 to 10	26,178	4,591	30,769
Plant and machinery	154,360	(2,204)	7 & 10	78,100	5,726	83,625
Furniture and fixtures	4,462	-	10 & 15	2,409	505	2,914
Vehicles	11,086	(2,098)	20	6,252	1,783	6,759
Office equipment	13,246	(434)	10 to 33	10,767	835	11,282
Electrical installations	756	-	7 & 10	756	-	756
	246,909	(4,736)		124,578	13,442	136,223
						105,950

	COST		Rate %	ACCUMULATED DEPRECIATION		WRITTEN DOWN VALUE As at December 31, 2015
	As at January 01, 2015	Additions/ transfers (Disposals) December 31, 2015		As at January 01, 2015	Charge for the year (disposals) / transfers December 31, 2015	
Rupees in '000						
DECEMBER 31, 2015						
Owned						
Leasehold land	225	-	1.01	114	2	116
Building on leasehold land	62,774	-	3 to 10	21,558	4,620	26,178
Plant and machinery	150,324	(295)	7 & 10	70,784	7,611	78,100
Furniture and fixtures	4,462	-	10 & 15	1,905	504	2,409
Vehicles	8,260	(4,536)	20	3,338	2,520	6,252
Office equipment	13,308	(62)	10 to 33	9,964	865	10,767
Electrical installations	756	-	7 & 10	756	-	756
	240,109	(4,893)		108,419	16,122	124,578
						122,331
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.

5.1.1 The cost of fully depreciated assets on December 31, 2016 is Rs.61.706 million (2015: Rs. 62.505) million.

5.1.2 Depreciation for the year has been allocated as follows:

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
Cost of sales – manufacturing overheads	21	10,585	12,987
Administrative expenses	23	2,857	3,135
		<u>13,442</u>	<u>16,122</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/ *adjustment against loan	Mode of disposal	Particulars of buyers
Rupees in '000						
Plant & Machinery						
Fork Lifter	2,204	201	2,003	2,025	Negotiation	Mr. Adil Mansoor, Karachi
Vehicles						
Various Motorcycles	511	301	210	199	Company's policy	Various Employees
Honda City	1,530	918	612	*644	Company's policy	Mr. Atif (Employee)
CNG Kits	57	57	-	-	Scrap sales	Mr. Muhammad Azeem
Equipment						
Camera project	159	130	29	-	Scrap sales	Mr. Muhammad Azeem
Moisture Analyser	275	190	85	-	Scrap sales	Mr. Muhammad Azeem
December 31, 2016	<u>4,736</u>	<u>1,797</u>	<u>2,939</u>	<u>2,868</u>		
December 31, 2015	<u>3,070</u>	<u>1,606</u>	<u>1,463</u>	<u>2,573</u>		

5.2. Capital work-in-progress

Represents capital work-in-progress on building on leasehold land and plant and machinery amounting to Rs. 0.013 million (2015: Rs. 0.013 million) and Rs. 6.012 million (2015: Rs. 6.012 million) respectively.

6. LONG-TERM DEPOSITS

Utilities
Others

Note	December 31, 2016	December 31, 2015
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

	11,066	12,300
7.1	(6,059)	(5,128)
	<u>5,007</u>	<u>7,172</u>

7.1 Provision against slow moving stores and spares

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

	5,128	4,760
21	931	368
	<u>6,059</u>	<u>5,128</u>

8. STOCK-IN-TRADE

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
Raw material		52,020	-
Packing material		2,368	2,320
Finished goods	8.1	57,511	140,028
		<u>111,899</u>	<u>142,348</u>

8.1 Includes stock-in-trade carried at net realizable value amounting to Rs. 32.025 million (2015: Rs. 96.807 million).

9. TRADE DEBTS

Considered good			
Secured – against letter of credit		33,085	40,160
Unsecured		678	6,213
		<u>33,763</u>	<u>46,373</u>
Considered doubtful			
Unsecured		172	10
Provision against doubtful debts	9.1	(172)	(10)
		-	-
		<u>33,763</u>	<u>46,373</u>

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

Balance at the beginning at the year		10	208
Charge / (reversal) during the year	23	162	(198)
Balance at the end of the year		<u>172</u>	<u>10</u>

9.2 As at December 31, 2016, 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					
2016	<u>33,763</u>	<u>29,947</u>	<u>678</u>	<u>3,138</u>	<u>-</u>
2015	<u>46,373</u>	<u>42,399</u>	<u>3,747</u>	<u>57</u>	<u>170</u>

10. LOANS AND ADVANCES

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
Loans - secured			
Employees	10.1	1,656	1,007
Advances - unsecured, considered good			
Employees		97	107
		<u>1,753</u>	<u>1,114</u>

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 of 8% per annum.

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
11. SHORT-TERM PREPAYMENTS			
Fees and subscription		660	855
Others		5	7
		<u>665</u>	<u>862</u>
12. OTHER RECEIVABLES			
Sales tax-net		4,256	6,563
Receivable against employees' provident fund		640	-
		<u>4,896</u>	<u>6,563</u>
13. SHORT-TERM INVESTMENTS			
Held to maturity			
Term Deposit Receipts	13.1 & 13.2	<u>90,376</u>	<u>115,368</u>

13.1 These carry return at rates ranging between 6.5% and 4.75% (2015: 7.75% and 5%) per annum, maturing latest by May 27, 2017. Accrued return of Rs. 0.258 million (2015: Rs. 0.25 million) is included herein.

13.2 Included herein Term Deposit Receipts amounting to Rs. 5.118 million (2015: Rs. 5.118 million) under lien (note 19.2.2).

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
14. CASH AND BANK BALANCES			
In hand			
Local currency		195	249
With banks in			
Current accounts			
Local currency		18,781	8,770
Foreign currency		143	94
		<u>18,924</u>	<u>8,864</u>
Savings accounts – local currency	14.1	<u>24,742</u>	<u>8,709</u>
		<u>43,861</u>	<u>17,822</u>

14.1 These carry interest rates, ranging between 3.5% and 4.25% (2015: 4% and 5%) per annum.

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

		Note	December 31, 2016	December 31, 2015
Number of Shares		Rupees in '000		
2016	2015			
3,634,092	3,634,092	15.1	36,341	36,341
614,460	614,460		6,145	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%) [2015: 2,549,131 (60%)] Ordinary shares of Rs. 10 each as at balance sheet date.

16. RESERVES	Note	December 31,	December 31,
		2016	2015
Rupees in '000			
Capital reserve			
Share premium on issue of ordinary shares		17,553	17,553
Revenue reserves			
General		462,839	462,839
Accumulated (loss)		(174,144)	(80,090)
		288,695	382,749
		306,248	400,302
17. DEFERRED TAXATION			
Deferred tax liability on taxable temporary difference			
- Accelerated tax depreciation allowance		12,142	13,657
Deferred tax asset on deductible temporary differences			
- Provision for stores and spares		(1,878)	(1,641)
- Provision for compensated absences.		(1,302)	(954)
- Provision for doubtful debts and receivables		(54)	(3)
		(3,234)	(2,598)
		8,908	11,059
Temporary differences not expected to reverse in view of applicability of final tax regime		(6,785)	(8,211)
		2,123	2,848
18. TRADE AND OTHER PAYABLES			
Creditors		39,086	4,728
Accrued liabilities	18.1	11,960	11,783
Compensated absences		4,200	2,982
Pension	18.2	2,319	2,918
Gratuity	18.2	6,085	10,623
Accrual for contractual workers benefits		4,000	-
Bonus to employees		4,800	4,000
Advances from customers		532	1,988
Workers' Welfare Fund		12,098	11,794
Tax deducted at source		383	292
Unclaimed dividends		1,506	2,912
Employees' car and motorcycle loan schemes		911	1,480
		87,880	55,500

18.1 Included herein an aggregate sum of Rs.1.425 million (2015: Rs.1.469 million) due to related parties.

18.2 The status of the funds as of December 31, 2016 were as follows:

18.2.1. Balance sheet reconciliation as at December 31, 2016	Pension Fund		Gratuity Fund	
	2016	2015	2016	2015
Rs. in '000				
Present value of defined benefit obligation	22,585	21,554	14,645	18,476
Fair value of plan assets	(20,266)	(18,636)	(8,560)	(7,853)
Net liability recognised in balance sheet	2,319	2,918	6,085	10,623

	Pension Fund		Gratuity Fund	
	2016	2015	2016	2015
	Rs. in '000		Rs. in '000	
18.2.2. Movement in net liability				
Balance as at January 01, 2016	2,918	25	10,623	9,763
Charge / (reversal) for the year	981	746	(2,481)	2,877
Benefits paid during the year	(1,640)	(1,558)	(1,100)	(2,234)
Other comprehensive loss / (income)	60	3,705	(957)	914
Receivable from fund	-	-	-	(697)
Payable as at December 31, 2016	2,319	2,918	6,085	10,623
18.2.3. Amount recognized in the profit and loss account				
Service cost	771	831	1,150	1,904
Negative past service cost	-	-	(4,635)	-
Net interest cost	210	(85)	1,004	973
	981	746	(2,481)	2,877
18.2.4. Actual return on plan assets	1,630	826	707	(314)
18.2.5. Remeasurement (gain) / losses recognized in other comprehensive income				
Actuarial (gain) / loss on defined benefit obligation	(173)	2,527	(1,035)	(240)
Remeasurement of fair value of plan assets	233	1,178	78	1,154
Remeasurement (gain) / loss	60	3,705	(957)	914
18.2.6. Movement in the defined benefit obligation				
As at January 01, 2016	21,554	17,835	18,476	17,233
Service cost	771	831	1,150	1,904
Negative past service cost	-	-	(4,635)	-
Interest cost	2,073	1,919	1,789	1,813
Benefits paid	(1,640)	(1,558)	(1,100)	(2,234)
Remeasurement loss / (gain) recognized in other comprehensive income	(173)	2,527	(1,035)	(240)
As at December 31, 2016	22,585	21,554	14,645	18,476
18.2.7. Movement in fair value of plan assets				
As at January 01, 2016	18,635	17,810	7,853	7,470
Expected return on plan assets	1,864	2,003	785	840
Receivable from fund	-	-	-	697
Employer contributions	1,640	1,558	1,100	2,234
Benefits paid	(1,640)	(1,558)	(1,100)	(2,234)
Remeasurement loss recognized in other comprehensive income	(233)	(1,178)	(78)	(1,154)
As at December 31, 2016	20,266	18,635	8,560	7,853
18.2.8. Key actuarial assumptions used are as follows:				
Discount factor used	9.00%	10.00%	9.00%	10.00%
Expected rate of returns per annum on plan assets	9.00%	10.00%	9.00%	10.00%
Expected rate of increase in future salaries per annum	9.00%	10.00%	9.00%	10.00%

18.2.9. Plan assets comprise of:
18.2.9.1. Funded pension plan

Special savings certificates
Equity securities
Cash and net current assets

	2016		2015	
	Rupees '000	%	Rupees '000	%
Special savings certificates	18,950	79.93	17,897	96
Equity securities	1,243	14.1	570	3.1
Cash and net current assets	73	5.97	169	0.9
	<u>20,266</u>	<u>100</u>	<u>18,636</u>	<u>100</u>

18.2.9.2. Funded gratuity plan

Special Savings Certificates
Cash and net current assets

Special Savings Certificates	7,361	85.99	7,372	93.8
Cash and net current assets	1,199	14.01	481	6.2
	<u>8,560</u>	<u>100</u>	<u>7,853</u>	<u>100</u>

18.2.10. Comparison for last five years:
18.2.10.1. Funded pension plan

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

	2016	2015	2014	2013	2012
	Rupees in '000				
Present value of defined benefit Obligation	22,585	21,554	17,835	14,731	15,800
Fair value of plan assets	(20,266)	(18,636)	(17,810)	(15,498)	(14,677)
Deficit / (surplus)	2,319	2,918	25	(767)	1,123

18.2.10.2. Experience adjustments:

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

Remeasurement loss / (gain) on defined benefit obligation	(173)	2,527	1,829	(2,176)	(665)
Remeasurement (loss) / gain on plan assets	(233)	(1,178)	298	(867)	1,844

18.2.10.3. Funded gratuity plan

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

Present value of defined benefit obligation	14,645	18,476	17,233	14,179	11,986
Fair value of plan assets	(8,560)	(7,853)	(7,470)	(7,750)	(7,308)
Deficit	6,085	10,623	9,763	6,429	4,678

18.2.10.4. Experience adjustments:

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

Remeasurement loss / (gain) on defined benefit obligation	(1,035)	(240)	1,375	(314)	2,595
Remeasurement loss on plan assets	(78)	(1,154)	(317)	(301)	(60)

18.3. The plans expose the company to the actuarial risks such as:

Salary risks

The risks that the final salary at the time of cessation of service is higher than that was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risks

The risk of actual mortality / withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

Longevity risks

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Investment risks

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

18.4. The latest actuarial valuation of the Funds was carried out as of December 31, 2016 on the basis of the "Projected Unit Credit Method".

18.5. Sensitivity Analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Pension Fund	Gratuity Fund
	Rupees in '000	
Current liability	22,585	14,645
Discount rate (1% increase)	20,581	13,298
Discount rate (1% decrease)	24,925	16,246
Future salary increase rate (1% increase)	24,053	16,297
Future salary increase rate (1% decrease)	21,335	13,233
Withdrawal rate (1% increase)	22,582	14,645
Withdrawal rate (1% decrease)	22,588	14,645
1 Year mortality age set back	22,630	14,645
1 Year mortality age set forward	22,540	14,645

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for pension and gratuity recognized within the balance sheet.

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 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.

19.2 Commitments

19.2.1 Commitment for capital expenditure

19.2.2 Letter of guarantee

	December 31, 2016	December 31, 2015
	Rupees in '000	
	635	635
	5,118	5,118
Gross sales		
Local	128,377	185,270
Export	372,734	508,136
	501,111	693,406
Sales tax	(11,831)	(5,659)
Sales commission	(2,485)	(3,587)
Discounts	(338)	(16)
	(14,654)	(9,262)
	486,457	684,144

20. NET SALES

Gross sales

Local
Export

Sales tax
Sales commission
Discounts

21. COST OF SALES

Raw material consumed

	December 31, 2016	December 31, 2015
Opening stock	-	129,291
Purchases	340,255	298,177
	340,255	427,468
Closing stock	(52,020)	-
	288,235	427,468

Packing material consumed

Opening stock	2,320	4,382
Purchases	12,266	10,024
	14,586	14,406
Closing stock	(2,368)	(2,320)
	12,218	12,086

Manufacturing overheads

Salaries, wages and benefits	21.1	41,396	41,413
Stores and spares consumed		4,818	8,309
Provision against slow moving stores and spares	7.1	931	368
Utilities		67,238	73,980
Depreciation	5.1.2	10,585	12,987
Repairs and maintenance		1,862	2,109
Handling charges		5,668	5,039
Rent, rates and taxes		548	2,317
Insurance		912	1,003
Traveling and conveyance		1,799	2,098
Laboratory expenses		200	265
Research and development		491	942
Communication		176	189
Others		186	252
		136,810	151,271

Cost of goods manufactured

Opening stock of finished goods	437,263	590,825
	140,028	247,048
	577,291	837,873
Closing stock of finished goods	(57,511)	(140,028)
	519,780	697,845

21.1 Included herein is a sum of Rs. (1.637) million, Rs. 0.365 million and Rs. 0.963 million (2015: Rs. 1.669 million, Rs. 0.127 million and Rs. 0.903 million) in respect of Employees' Gratuity Fund, Employees' Pension Fund and Employees' Provident Fund respectively.

22. SHIPPING EXPENSES

	December 31, 2016	December 31, 2015
Sales promotion expenses	2,819	976
Freight expenses	7,754	8,345
Port expenses	5,317	5,030
Marine insurance	419	570
	16,309	14,921

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
23. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	23.1	31,358	31,630
Travelling and conveyance		2,322	2,964
Depreciation	5.1.2	2,857	3,137
Communication		2,261	1,832
Security service charges		981	923
Repairs and maintenance		235	467
Insurance		231	265
Printing and stationery		504	634
Auditors' remuneration	23.2	607	599
Subscriptions		1,224	1,443
Legal and professional charges		2,992	1,667
Entertainment		690	742
Provision / (reversal) against debts considered doubtful	9.1	162	(198)
Rent, rates and taxes		701	192
Advertisement		74	135
Others		111	159
		47,310	46,591

23.1 Included herein is a sum of Rs. (0.844) million, Rs. 0.616 million and Rs. 0.504 million (2015: Rs. 1.208 million, Rs. 0.619 million and Rs. 0.527 million) in respect of Employees' Gratuity Fund, Employees' Pension Fund and Employees' Provident Fund respectively.

23.2 Auditors' remuneration

Fee for statutory audit	23.2.1	389	378
Fee for half yearly review		65	63
Fee for Code of Corporate Governance and other certificates		42	47
Out of pocket expenses		111	111
		607	599

23.2.1 Included herein Sindh Sales Tax amounting to Rs. 0.029 million (2015: Rs. 0.018 million).

24. OTHER CHARGES

Workers' Welfare Fund	304	399
Loss on sale of fixed assets	72	-
	376	399

25. FINANCE COSTS

Bank charges	1,687	1,894
Others	-	7
	1,687	1,901

26. OTHER INCOME

Income from financial assets

Interest / return on:

Term deposit receipts
Bank deposits
Loans to employees

Income from non-financial assets

Gain on sale of fixed assets
Exchange gain

	December 31, 2016	December 31, 2015
Rupees in '000		
	7,580	3,468
	447	842
	13	74
	8,040	4,384
	-	694
	179	1,286
	179	1,980
	8,219	6,364
	4,890	5,080
	(725)	(758)
	4,165	4,322

27. TAXATION

Current – net
Deferred

27.1. Current taxation expense consists of minimum tax charged under Section 113 of the Income Tax Ordinance, 2001 and tax under final tax regime.

27.2. Relationship between tax expense and accounting profit

	December 31, 2016	December 31, 2015
Rupees in '000		
Accounting loss before taxation	(90,786)	(71,149)
Percent		
Tax rate	31%	32%
Rupees in '000		
Tax on accounting loss	-	-
Tax effect of:		
Tax on income under final tax regime	3,725	5,080
Minimum tax under Section 113	1,165	-
Others	(725)	(758)
	4,165	4,322

27.3. The income tax assessments of the Company have been finalised up to and including the tax year 2016, corresponding to the income year ended December 31, 2015.

27.4. The Finance Act, 2015 and 2016, has introduced certain amendments relating to taxation of companies. As per these amendments, super tax at the rate of 3 percent of the taxable income has been levied for the tax years 2015 and 2016. In addition, a tax on every public company at the rate of 10 percent of such undistributed reserves which exceed the amount of its paid up capital has also been levied. However, this tax shall not apply in case of a public company which distributes cash dividend equal to at least either 40 percent of its after tax profits or 50 percent of its paid up capital, within the prescribed time after the end of the relevant tax year.

The Company is not liable to pay any tax in respect of aforementioned taxes introduced by Finance Act, 2015 and 2016, as the required criteria for taxability is not met, in case of the Company.

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

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

	December 31, 2016	December 31, 2015
	Rupees in '000	
Net loss for the year	(94,951)	(75,471)
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	4,248,552	4,248,552
	Rupees	
Loss per share – basic and diluted	(22.35)	(17.76)

29. CASH GENERATED FROM OPERATIONS

	December 31, 2016	December 31, 2015
	Rupees in '000	
(Loss) before taxation	(90,786)	(71,149)
Adjustments for non-cash items		
Depreciation	13,442	16,124
Finance costs	1,687	1,901
Provision for compensated absences	1,671	(164)
Provision for bonus	3,743	1,942
Provision for slow moving stores and spares	931	368
Provision against doubtful receivable	162	(198)
Provision for staff retirement benefits	(1,500)	3,623
Provision for SESSI & EOBI	(31)	16
Loss / (gain) on disposal of fixed assets	72	(694)
Interest income	(8,040)	(4,345)
	12,137	18,573
Operating loss before working capital changes	(78,649)	(52,576)
Working capital changes	29.1 78,788	157,701
	139	105,125

	Note	December 31, 2016	December 31, 2015
Rupees in '000			
29.1 Working capital changes			
Decrease / (increase) in current assets			
Stores and spares		1,234	1,432
Stock-in-trade		30,449	238,373
Trade debts		12,448	(9,114)
Loans and advances		(639)	640
Short-term prepayments		197	(124)
Other receivables		1,667	4,232
		45,356	230,070
Increase / (decrease) in current liabilities			
Trade and other payables		33,432	(72,369)
		78,788	157,701
30. CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	43,861	17,822
Short term investment – held to maturity	13	85,000	110,000
		128,861	127,822

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2016	2015	2016	2015	2016	2015
Rupees in '000						
Managerial remuneration	2,970	3,194	5,254	4,705	6,840	6,734
Housing	1,110	919	997	951	2,281	2,212
Retirement benefits	-	-	-	43	272	244
Bonus	-	887	500	1,610	-	2,448
Medical expenses	28	82	59	198	249	1,032
Utilities	607	520	462	421	507	492
	4,715	5,602	7,272	7,928	10,149	13,162
Number	1	1	2	2	7	7

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

31.3. Seven Non-Executive Directors (2015: Seven) were paid fees to attend the meetings, aggregating Rs 0.94 million (2015: Rs. 0.86 million).

32. 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:

32.1. 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.

32.1.1. Interest rate risks

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.

32.1.2. 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. 33.085 million (2015: Rs. 40.160 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. 0.331 million (2015: Rs. 0.405 million) and 1% decrease would result in decrease in the Company's loss by the same amount.

32.1.3. Equity price risk

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

32.2. 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. 170.631 million (2015: Rs. 181.555) million, the financial assets which are subject to credit risk amounted to Rs.136.376 million (2015: Rs. 140.161) 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, 2016	December 31, 2015
Rupees in '000			
32.2.1 Trade debts			
Customers with no defaults in the past one year	9.2	<u>29,947</u>	<u>46,373</u>
32.2.2 Bank balances			
A-1+		<u>22,163</u>	17,184
A-1		<u>21,503</u>	389
		<u>43,666</u>	<u>17,573</u>

32.3 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. As of balance sheet date, the unutilized facilities amounting to Rs. 240 million and Rs. 75 million from Habib Bank Limited and Askari Bank Limited respectively.

The facilities for finance available from Habib Bank Limited are:

	Note	2016	2015
Rupees in '000			
Running finance facility	32.3.1	55,000	55,000
Export refinance facility - Part II	32.3.1	185,000	185,000
Export refinance facility - Part I (Sub-limit of ERF - II)	32.3.1	(65,000)	(65,000)

32.3.1 The rate of mark-up on running finance facility is 3 months KIBOR plus 1.5% (2015: 3 months KIBOR plus 1.5%) and export refinance facility is SBP rate plus 1% (2015: SBP rate plus 1%) per annum payable quarterly. As of balance sheet date, all the facilities remained un-utilized. The facilities are secured by way of 1st Parri Passu charge of PKR 200.0 million over book debts and receivables (outstanding, money, receivables, claims, bills, contracts, engagements, securities, investments rights and assets excluding property) and 1st Parri Passu charge of Rs.207.70 million over fixed assets (All piece and parcel of land, all present & future plant & machinery, equipment) located at plot B-19/A, SITE, Karachi measuring 3 Acres, owned by Pakistan Gum & Chemicals Limited.

In addition to above, export refinance facility – Part I is also secured by lien over firm contract / LC.

The facilities for finance available from Askari Bank Limited are:

	Note	2016	2015
Rupees in '000			
Export refinance facility – Part II	32.3.2	75,000	75,000
Export refinance facility - Part I (Sub - limit of ERF -II)	32.3.2	(65,000)	(65,000)

32.3.2 The rate of mark-up on these facilities is SBP rate plus 1% (2015: SBP rate plus 1). As of balance sheet date, the facilities remained un-utilized. The facilities are secured by way of 1st Parri Passu charge of PKR 100 million over book debts and receivables (outstanding, money, receivables, claims, bills, contracts, engagements, securities, investments rights and assets excluding property) and 1st Parri Passu charge of Rs.100 million over fixed assets (All piece and parcel of land, all present & future plant & machinery, equipment) located at plot B-19/A, SITE, Karachi measuring 3 Acres, owned by Pakistan Gum & Chemicals Limited.

In addition to above, export refinance facility – Part I is also secured by lien over firm contract / LC.

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	Rupees in '000				
Trade and other payables	6,618	17,808	39,086	-	63,512
2016	6,618	17,808	39,086	-	63,512
	Rupees in '000				
Trade and other payables	7,374	15,783	4,728	-	27,885
2015	7,374	15,783	4,728	-	27,885

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

32.4. 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.

33. 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, 2016	December 31, 2015
	Rupees in '000	
Parent Company		
East West Group Holding Inc.		
Dividend paid	-	12,746
Associates – common directorship		
Orkila Pakistan (Private) Limited		
Sale of goods	1,427	2,188
Commission on sales	1,313	1,018
Shipwell (Private) Limited		
Commission on sales	1,105	2,448
IAL Pakistan (Private) Limited		
Freight expenses	31	15
Transportaion	1,161	885

34. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 16 March, 2017 by the Board of Directors of the Company.

35. GENERAL

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

35.2 Provident fund

Size of the trust

Cost of investments made

Fair value of investments made

Percentage of investment made

December 31, 2016	December 31, 2015
Rupees in '000	
Un-audited	
26,802	23,952
20,000	20,000
26,388	23,619
98.46%	98.61%

Break-up of investments (as per section 227 of the Companies Ordinance, 1984)

Special Saving Certificates

2016		2015	
Investment Rupees	% of investment as size of the fund	Investment Rupees	% of investment as size of the fund
<u>20,000</u>	<u>97.97%</u>	<u>20,000</u>	<u>98.36%</u>

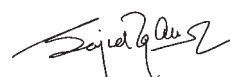
Investments out of provident fund have been made in accordance with the provision of the section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 8.33% of basic salary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

35.3. The total number of employees at the year-end were 76 (2015: 81) and average number of employees during the year were 78 (2015: 82).

35.4. 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

PATTERN OF SHAREHOLDINGS

AS AT DECEMBER 31, 2016

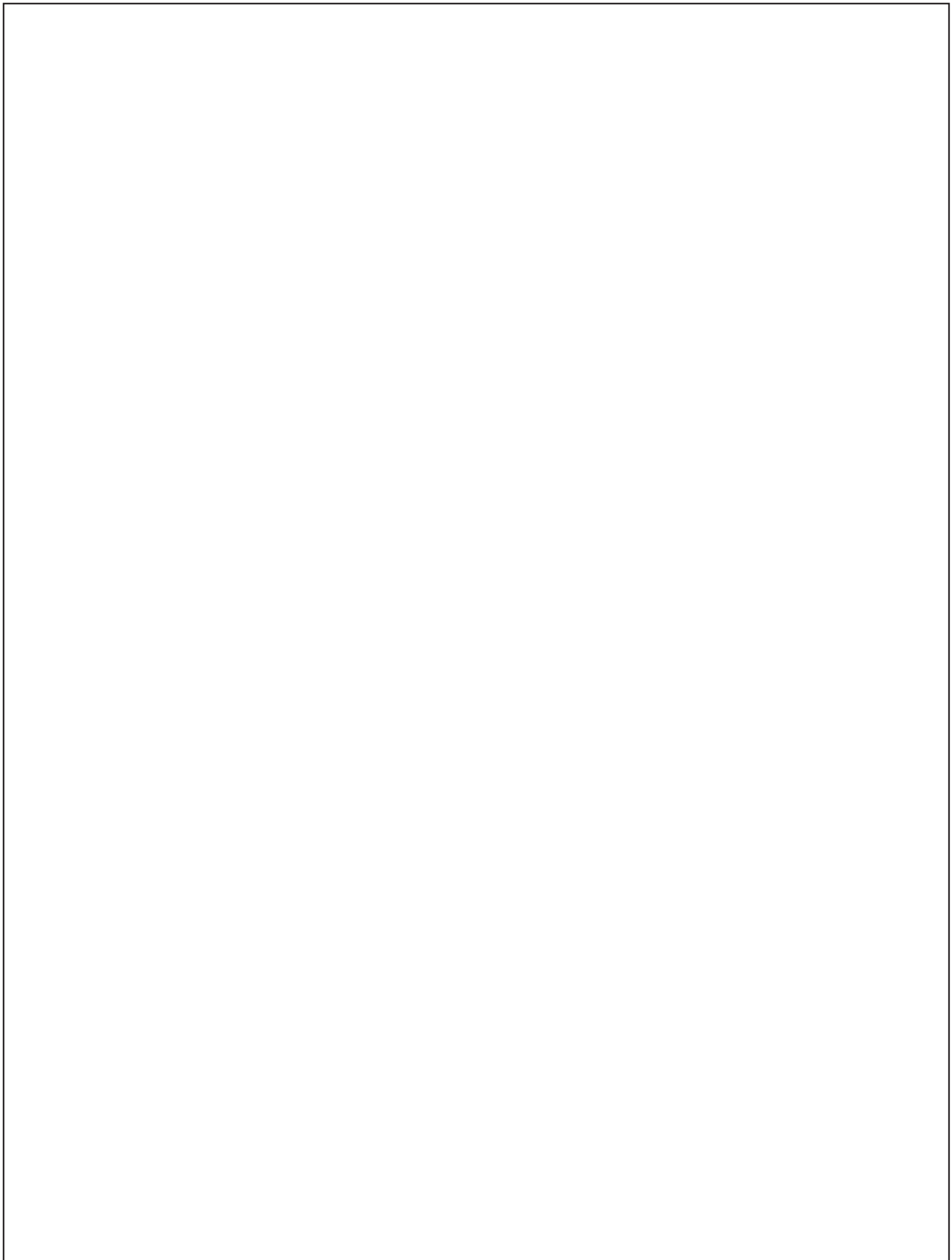
SIZE OF HOLDING Rs.10/- EACH	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE OF ISSUED CAPITAL
1 - 100	163	5,047	0.12
101 - 500	152	35,547	0.84
501 - 1,000	36	29,190	0.69
1,001 - 5,000	45	81,478	1.92
5,001 - 10,000	15	105,377	2.46
10,001 - 15,000	5	64,800	1.53
15,001 - 20,000	1	18,101	0.43
35,001 - 40,000	1	37,000	0.87
40,001 - 45,000	2	82,926	1.95
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
395,001 - 400,000	1	398,310	9.38
450,001 - 455,000	1	452,934	10.66
2,500,001 - 3,000,000	1	2,549,131	60.00
	<u>426</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	684,755	16.12
2	Joint Stock Companies	6,750	0.16
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. Zaeem A. Hanafi	500	0.01
	vii. Mr. Zahid Zaheer	1,00	0.02
	viii. Mr. Zubyr Soomro	500	0.01
	ix. Mrs. Kehkashan Hanafi	7,260	0.17
4	Associated Company & Related parties	2,680,498	63.09
5	Banks, DFIs, NBFIs, Insurance Companies, Investment Cos., Modarbas & Mutual Fund	152,056	3.58
6	Charitable Trust	7,260	0.17
	Total	4,248,552	100.00

Shareholders holding 5% or more voting interest

East West Group Holdings Inc.	- Associated Company	2,549,131	63.09
Shipwell (Pvt.) Limited	- Related party	131,367	3.09
Mr. Shuaib Ahmed		452,934	10.66
Mrs. Zakia Hanafi		398,310	9.38



PROXY FORM

54th 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 54th **ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, the 25th of April, 2017 and any adjournment thereof.

Signed by me / us this _____ Day of _____ 2017

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 ۵۴ واں عام اجلاس

میں / ہم _____
(نام)

برائے _____
(پتہ)

بحیثیت شراکت دار پاکستان گم اینڈ اکیملز لمیٹڈ موجودہ حصص
آرڈری حصص بطور شیئر رجسٹر فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر

تقرری کرتا ہوں / کرتے ہیں _____
(نام)

برائے _____
(پتہ)

میری / ہماری پراکسی کے طور پر میری / ہماری جانب سے کمپنی کے ۵۴ ویں سالانہ اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کی، جو بروز منگل،
مورخہ ۲۵ اپریل ۲۰۱۷ء بمطابق ۱۰ بجے ہو یا اس میں کوئی تبدیلی لائی جائے

میرے / ہمارے دستخط _____ مورخہ _____ ۲۰۱۷ء



(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









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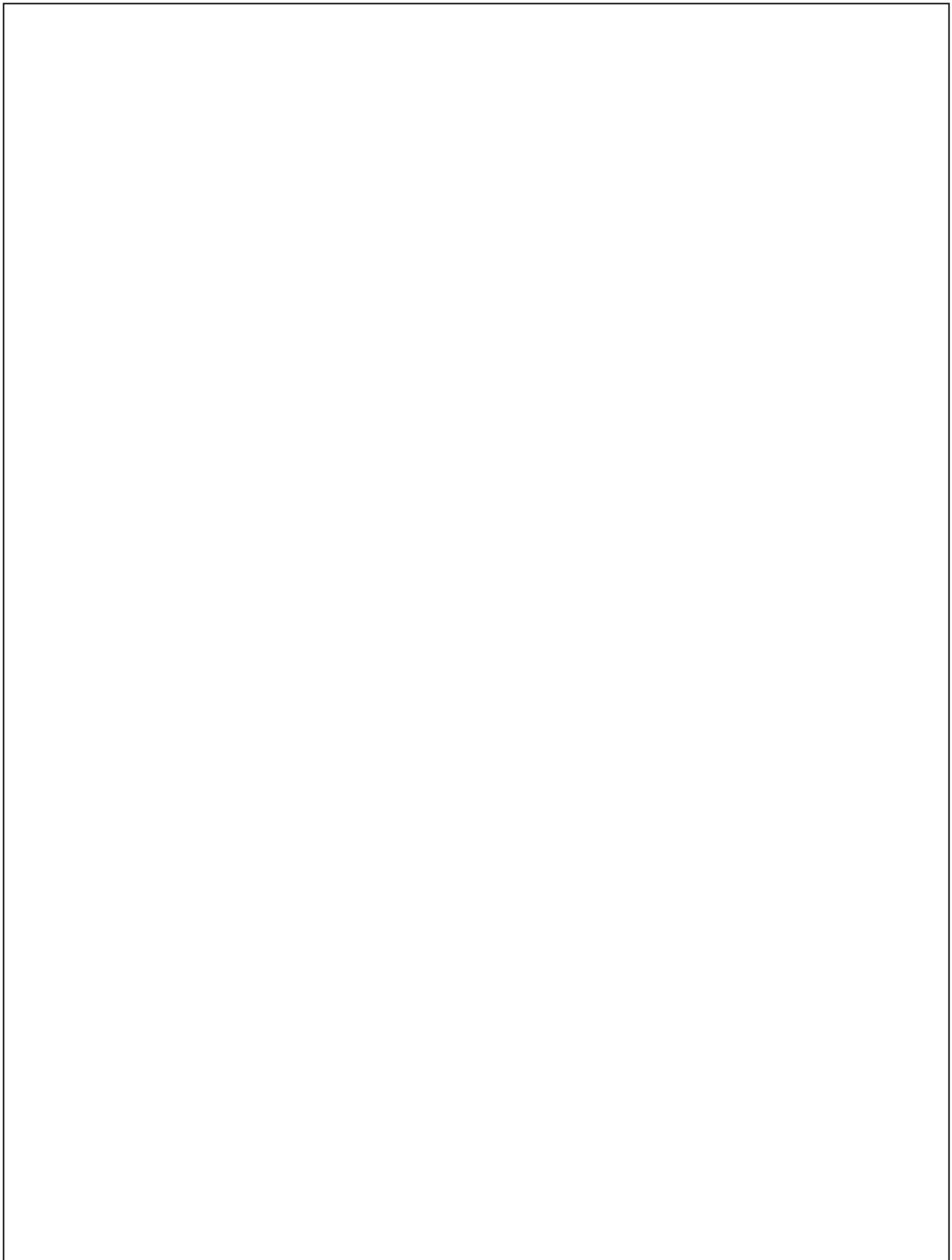


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1963 - 2016