



**HALF YEARLY
REVIEWED
REPORT
AND ACCOUNT
DECEMBER 31, 2018
(UNAUDITED)**

PAKISTAN PVC LIMITED

Registered Office
Shaffiabad, Gharo Dist. Thatta



PAKISTAN PVC LIMITED
DIRECTOR'S REPORT TO THE SHAREHOLDERS

On behalf of my colleagues on the Board, I present the un-audited reviewed accounts for the half year ended December 31, 2018 along with the auditors' review report.

During the period under review Gharo Plant remains closed and there was no production. The lower production of PVC Pipes & Fittings at Islamabad is due to shortage of funds and prevailing economic conditions in the country.

Sales during the year under review was increased to Rs. 4.653 million as compared to Rs. 3.115 million of the same period last year and net loss during the year was Rs. 8.280 million as compared to a net loss of Rs. 10.143 million during the previous year.

1. AUDITORS' RESERVATION OF GOING CONCERN

The auditors have qualified their opinion, since your company has prepared the accounts on the going concern basis. The reason given in their qualification is the continued losses sustained by your company, no improvement/result of the efforts made by the management for obtaining additional capital. The case for the revival of your company remains under active consideration with the Committee for Revival of Sick Industrial Units set up by the Finance Division, Government of Pakistan.

2. AUDITORS' RESERVATION ABOUT DIRECT CONFIRMATION

As regards confirmations from the lenders of long term loans the company had dispatched the balance confirmation letters several times to lenders of long term loans.

3. AUDITORS' RESERVATION ABOUT LONG OUTSTANDING BALANCES

As regards balances of very long outstanding balances of Trade and Other Payables in respect of Accrued liability we have to state that these balances are appearing in the company's accounts since last many years and as regards confirmations from the Trade and Other Payables in respect of Accrued liability the company had dispatched the balance confirmation letters to the Trade and Other Payables in respect of Accrued liability and we understand that an over all majority of these have been responded too.

As reported previously, Gharo Plant remains closed and there was no production during the period under review. Your management hopes that all old disputes can be resolved amicably.

On behalf of the Board of Directors
(ARIF SHAFFI)
Chief Executive

Islamabad: February 26, 2019

پاکستان پی وی سی لمیٹڈ شیئر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

بورڈ میں اپنے ساتھیوں کی جانب سے، میں آپ کے سامنے 31 دسمبر 2018 کو اختتام پذیر ہونے والی نصف سال کا غیر آڈٹ شدہ اکاؤنٹس پیش کر رہا ہوں۔
زیر غور مدت کے دوران، گھارو پینٹس بند رہا جس کی وجہ سے کوئی پیداوار نہ ہو سکی۔ اس سال کے دوران اسلام آباد میں پی وی سی پائپس اور فٹنگز کی پیداوار میں اضافہ ہوا۔
زیر غور سال کے دوران ہونے والی فروخت سابقہ سال اسی مدت کے دوران ہونے والے 3.115 ملین روپوں کی فروخت کی نسبت 4.653 ملین روپے رہی۔ گذشتہ سال ہونے والے 10.143 ملین روپے کے خالص نقصان کی نسبت اس سال 8.280 ملین روپوں کا نقصان ہوا۔

1. گونگ کنسرن کے متعلق آڈیٹرز کا نقطہ نظر

آڈیٹرز نے اپنا نقطہ نظر کوالیفائی کر لیا ہے کیونکہ آپکی کمپنی نے گونگ کنسرن کی بنیاد پر کھاتہ جات تیار کیے ہیں۔ ان کے نقطہ نظر میں دی گئی وجوہات یہ ہیں کہ آپ کی کمپنی نے مسلسل نقصانات برداشت کیے ہیں جبکہ اضافی سرمایہ حاصل کرنے کے لیے انتظامیہ کی جانب سے کیے جانے والے اقدامات سے کوئی نتیجہ برآمد نہیں ہوا اور نہ ہی کوئی بہتری آئی۔ آپ کی کمپنی کی تجدید کا کیس فنانس ڈویژن حکومت پاکستان اور یونائیٹڈ بینک لمیٹڈ کی جانب سے کمزور صنعتی اداروں کی تجدید کے لیے قائم کردہ کمیٹی میں فعال طور پر زیر غور رہا۔ اس دوران یونائیٹڈ بینک لمیٹڈ کی خواہش پر اور سٹیٹ بینک آف پاکستان کے قواعد کے مطابق سٹیٹ بینک کے منظور شدہ ویلیوٹرز کی جانب سے نئی ری ویلیوشن رپورٹ تیار کی گئی ہے۔

2. براہ راست تصدیق کے متعلق آڈیٹرز کا نقطہ نظر

طویل المدتی قرضہ دینے والے اداروں سے تصدیق کے لیے کمپنی نے متعدد بار بیلنس کے متعلق تصدیقی خطوط ان اداروں کو ارسال کیے ہیں۔

3. طویل عرصے سے بقایا جات کے متعلق آڈیٹرز کا نقطہ نگاہ

جہاں تک قرضہ دینے والوں کے طویل عرصے سے بقایا جات، صارفین کی جانب سے دی گئی ایڈوانس رقوم اور قابل ادا رقوم کی بات ہے تو ہم یہ بتاتے چلیں کہ یہ بقایا جات گذشتہ کئی سالوں سے کمپنی کے کھاتوں میں ظاہر ہو رہے ہیں جبکہ قابل ادا رقوم کے حوالے سے تجارتی اور دیگر اداروں سے تصدیق کے لیے کمپنی نے انہیں تصدیقی خطوط ارسال کیے تھے، ہمارے علم کے مطابق ان میں سے زیادہ تر خطوط کے جوابات بھی موصول ہوئے تھے۔

زیر غور سال کے دوران گھارو پینٹس پورا سال بند رہا جس کی وجہ سے کوئی پیداوار نہیں ہوئی۔ جیسا کہ پہلے بتایا جا چکا ہے، کہ جب تک گھارو پلانٹ فعال نہیں ہو گا تب تک کوئی فائدہ مند نتائج نہیں مل سکتے۔

بورڈ آف ڈائریکٹرز کی جانب سے
(عارف شفیع) - چیف ایگزیکٹو

اسلام آباد: 26 ستمبر 2019



Independent auditor's review report to the members of Pakistan PVC Limited

Report on the Review of the Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pakistan PVC Limited as at December 31, 2018 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedure. A review is substantially less in scope than audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Disclaimer of Conclusion

1. As shown in this condensed interim financial information the company has accumulated loss of Rupees 484.862 million (June 30, 2018: Rupees 479.504 million) against the issued subscribed and paid up capital of Rupees 149.580 (June 30, 2018: Rupees 149.580) million turning shareholders' equity to a negative balance of Rupees 163.073 million (June 30, 2018: 154.793 million). The current liabilities exceed the current assets by Rupees 347.631 million (June 30, 2018: 341.797 million). Further, the company has not been able to obtain enough finance to revive its Gharo plant operations. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future and therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as a going concern. The management has not prepared cash flow projections and future plan to revive the operation of Gharo plant closed since 1995.



2. Bank statements are not available to verify the correctness of balance of short term loan from Government of Pakistan reflected under current portion of long term financing amounting to Rupees 32.991 million and UBL cash finance amounting to Rupees 15.000 million reflected under short term borrowings, therefore the same along with markup accrued thereon amounting to Rupees 94.328 million and Rupees 93.951 million respectively and underlying terms and conditions of these borrowings remained unverified.
3. Due to very long outstanding balances and non-availability of underlying records, we are unable to verify the amount included in trade and other payables in respect of accrued liabilities of Rupees 10.000 million towards Privatization Commission, Finance Division.
4. We do not concur with the accounting treatment of leasehold land in these financial statements being violation of the requirements of International Accounting Standards (IAS 40) "Investment Property".
5. As more fully explained in note 5.2 of this condensed interim financial information the impact on the condensed interim financial statements of the disputed CDA plot of land at Islamabad is not determinable.

Conclusion

Because of the significance of the matters referred in paragraph 1 to 5 above, we are unable to obtain sufficient and appropriate evidence to form a conclusion on the accompanying interim financial information. Accordingly, we do not express any conclusion on these financial statements.

The engagement partner on review resulting in this independent auditor's report is Zahid Hussain Zahid.

MUSHTAQ & CO
Chartered Accountants

Lahore.

Dated: **February 26, 2019**

PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	Note	Un-audited December 31, 2018	Audited June 30, 2018		Note	Un-audited December 31, 2018	Audited June 30, 2018
		-----Rupees-----				-----Rupees-----	
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Authorized capital							
15,000,000 (June 30, 2018: 15,000,000) ordinary shares of Rs.10/- each		150,000,000	150,000,000	Property, plant and equipment	7	184,435,155	187,095,786
Issued, subscribed and paid up capital							
14,958,000 (June 30, 2018: 14,958,000) ordinary shares of Rs.10/- each		149,580,000	149,580,000	Long term investments		122,500	105,000
Accumulated loss		(484,862,145)	(479,504,747)			184,557,655	187,200,786
Surplus on revaluation of fixed assets		172,208,275	175,131,108				
		(163,073,870)	(154,793,640)				
Deferred liabilities							
Staff retirement benefits - gratuity		-	197,370				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables		87,986,197	85,546,439	Stocks in trade		986,140	726,288
Unclaimed Dividend		45,980	45,980	Trade debts		1,363,719	1,188,215
Accrued mark up / interest		188,280,536	184,661,047	Loans and advances		200,478	1,041,987
Short term borrowings		40,332,024	40,663,242	Trade deposits and other receivables		100,000	100,000
Current portion of long term financing	6	32,991,000	32,991,000	Other receivables		10,526	2,339
Provision for taxation - net		1,089,657	1,313,283	Tax refunds due from Government		166,045	231,080
		350,725,395	345,220,991	Cash and bank balances		266,962	134,026
CONTINGENCIES AND COMMITMENTS						3,093,870	3,423,936
	5						
		187,651,525	190,624,721			187,651,525	190,624,721

The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

ASIF SHAFFI
CHIEF FINANCIAL OFFICER



PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2018

		Quarter Ended		Half Year Ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Note	-----Rupees-----			
Sales - net		2,607,159	2,004,674	4,653,191	3,115,585
Cost of sales	8	(5,195,941)	(5,159,904)	(12,225,644)	(10,943,284)
Gross loss		(2,588,782)	(3,155,230)	(7,572,453)	(7,827,699)
Other income		4,174,780	2,831,344	8,089,366	5,515,032
Distribution cost		(607,981)	(602,865)	(1,115,725)	(1,025,736)
Administrative expenses		(1,163,988)	(973,109)	(2,295,199)	(2,061,765)
Finance cost		(1,813,813)	(1,810,982)	(3,623,557)	(3,623,803)
Loss before taxation		(1,999,783)	(3,710,843)	(6,517,567)	(9,023,971)
Taxation		(1,687,804)	(538,435)	(1,762,663)	(1,119,420)
Loss for the period		(3,687,587)	(4,249,278)	(8,280,230)	(10,143,392)
Loss per share - basic and diluted		(0.25)	(0.28)	(0.55)	(0.68)

The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

ASIF SHAFFI
CHIEF FINANCIAL OFFICER



PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2018

	Quarter Ended		Half Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	-----Rupees-----			
Loss for the period	(3,687,587)	(4,249,278)	(8,280,230)	(10,143,392)
Other comprehensive income for the period		-		-
Total comprehensive loss for the period	<u>(3,687,587)</u>	<u>(4,249,278)</u>	<u>(8,280,230)</u>	<u>(10,143,392)</u>

The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

ASIF SHAFFI
CHIEF FINANCIAL OFFICER

PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	December 31, 2018	December 31, 2017
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6,517,567)	(9,023,971)
<i>Adjustments for :</i>		
Depreciation	3,445,970	3,973,479
Finance cost	3,623,557	3,623,803
Provision for staff retirement benefits - gratuity	(197,370)	2,212
Accrued Interest on investment	(17,500)	(15,000)
Rental income	(8,071,866)	(5,515,032)
	(1,217,209)	2,069,463
Operating cash flows before changes in working capital	(7,734,776)	(6,954,509)
(Increase) / decrease in current assets		
Stock in trade	(259,852)	204,476
Stores, spare part and loose tools	-	(5,354)
Trade debts	(175,504)	(591,741)
Loans and advances	841,510	30,274
Tax refunds due from Government - sales tax	65,035	(1,578)
	471,189	(363,922)
Increase in current liabilities		
Trade and other payables	2,610,341	3,753,275
	3,081,530	3,389,353
Net cash used in operations	(4,653,246)	(3,565,155)
Income tax paid	(1,986,289)	(1,587,879)
Finance cost paid	(4,068)	(4,315)
	(1,990,357)	(1,592,193)
Net cash used in operating activities	(6,643,604)	(5,157,349)
CASH FLOWS FROM INVESTING ACTIVITIES		
Rent received	7,893,098	5,586,788
Addition in Property Plant & Equipment	(785,340)	-
Net cash generated from investing activities	7,107,758	5,586,788
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short term borrowings	(331,218)	(473,262)
Net cash generated from financing activities	(331,218)	(473,262)
Net increase/(decrease) in cash and cash equivalents	132,936	(43,823)
Cash and cash equivalent at the beginning of the period	134,026	109,446
Cash and cash equivalent at the end of the period	266,962	65,623

The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

ASIF SHAFFI
CHIEF FINANCIAL OFFICER



PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Issued, subscribed and paid up capital	Revenue Reserve Accumulated loss	Capital Reserve Revaluation Surplus	Total
Balance as at July 1, 2017 - restated	149,580,000	(468,446,415)	125,008,744	(193,857,672)
Total comprehensive loss for the period	-	(10,143,392)		(10,143,392)
Transfer from revaluation surplus on account of incremental depreciation	-	3,495,955	(3,495,955)	3,495,955
Balance as at December 31, 2017 - restated	<u>149,580,000</u>	<u>(475,093,853)</u>	<u>121,512,789</u>	<u>(200,505,109)</u>
Balance as at July 1, 2018	149,580,000	(479,504,747)	175,131,108	(154,793,640)
Total comprehensive loss for the period	-	(8,280,230)		(8,280,230)
Transfer from revaluation surplus on account of incremental depreciation	-	2,922,833	(2,922,833)	-
Balance as at December 31, 2018	<u>149,580,000</u>	<u>(484,862,145)</u>	<u>172,208,275</u>	<u>(163,073,870)</u>

The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

ASIF SHAFFI
CHIEF FINANCIAL OFFICER

PAKISTAN PVC LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 LEGAL STATUS AND OPERATIONS

- 1.1 Pakistan PVC Limited (the company) is incorporated in Pakistan on October 19, 1963 and is listed on the Pakistan stock exchange Limited. Its registered office is located at Shaffiabad, Ghara and District Thatta.
- 1.2 The company is engaged in production and sale of PVC resin, PVC pipes and fittings, PVC compound and Caustic soda. The company has ceased the production at Ghara since 1995. The production at Islamabad plant continues. The company has installed a water purification plant to process and sell mineral water in 2011.
- 1.3 The case for the revival of the company remained with the committee for revival of sick industrial unit setup by the finance division, Government of Pakistan with representation of the federation of Chamber of Commerce and Industries.
- 1.4 These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency and figures are rounded to the nearest rupee.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the half year ended December 31, 2018 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 'IAS' 34 "Interim Financial Reporting" and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Companies Act, 2017. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company for the year ended June 30, 2018.

This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

These condensed interim financial statements comprise of condensed interim statement of financial position, condensed interim statement of profit or losses, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the notes for the half year ended December 31, 2018 which have been subject to a review but not audited. These condensed interim financial statements also include the condensed interim income statement for the quarter ended December 31, 2018.

2.2 Statement of compliance

These financial statements have been prepared under the historical cost convention, except that certain fixed assets that have been stated at revalued amounts. The company has accumulated loss of Rupees 484.862 million (June 30, 2018: Rupees 479.504 million) as at December 31, 2018 against the issued subscribed and paid up capital of Rupees 149.580 (June 30, 2018: Rupees 149.580) million turning shareholders' equity to a negative balance of Rupees 163.073 million (June 30, 2018: 154.793 million). The current liabilities exceed the current assets by Rupees 347.631 million (June 30, 2018: 341.797 million). Further the company has not been able to obtain enough finance to revive its operations. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as a going concern.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2018, except of change referred to in note 4.

4 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that new standard IFRS 15 have become applicable to the Company effective July 1, 2018. Because of this new standard certain changes to the accounting policies have been made in light of the following paragraphs:

IFRS 15 'Revenue from contracts with customers'

IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on the amounts reported in all current and periods presented in these condensed interim financial statements of the Company.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

IFRS 9 'Financial Instruments'

The Company has deferred the adoption of IFRS 9, in pursuant to SRO 229(I)/2019 dated February 14, 2019. Through this SRO the SECP has modified the effective date for applicability of IFRS 9 (Financial Instruments) in place of IAS 39 (Financial Instruments: Recognition & Measurement) as "Reporting Period / Year ending on or after June 30, 2019.

Previously Through SRO 1007(I)/2017 dated October 04, 2017, the SECP had notified IFRS 9 replacing IAS 39 with effect from reporting periods starting from July 01, 2018.

5 CONTINGENCIES AND COMMITMENTS

- 5.1 The Securities and Exchange Commission of Pakistan (SECP) had appointed an inspector to investigate into the affairs of the company under Section 265 of the repealed Companies Ordinance, 1984. The inspector has submitted report on his findings to the SECP. The outcome can not be anticipated at this stage.
- 5.2 Title of plot of land of the company situated at Islamabad is in dispute. The company has started negotiations with CDA. As a result company has committed to pay outstanding dues to CDA for the leasehold land. CDA has not confirmed the amount therefore the amount of the obligation can not be measured with sufficient reliability.
- 5.3 The Privatization Commission of Pakistan had filed a suit in honorable Islamabad High Court, C.O.S No 07/2002, against the company for recovery of amount repayable to the Privatization commission against principal amount of Government loan assumed at time of privatization of Rs. 32,971,000 along with the markup thereon amounting to Rs. 48,005,929 aggregating to Rs. 80,996,929. The outcome of the case is still undecided however, the legal opinion of the solicitors appointed by the company are of the view that even if the above suit is decided against the company it shall not involve the company into any financial loss.

6 CURRENT PORTION OF LONG TERM FINANCING

The entire amount of the loan remains overdue and unpaid.

7 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited December 31, 2018	Audited June 30, 2018
-----Rupees-----			
Operating assets	7.1	71,176,186	71,318,176
Non operating assets	7.2	113,258,969	115,777,610
		<u>184,435,155</u>	<u>187,095,786</u>
7.1 Operating assets			
Opening book value		71,318,176	47,312,320
Less: Depreciation charged during the period		(927,330)	(1,807,318)
Add: Addition During the Year		785,340	620,513
Add: Surplus/ (Deficit)		-	25,192,661
		(141,990)	24,005,855
Closing book value		<u>71,176,186</u>	<u>71,318,176</u>
7.2 Non operating assets			
Opening book value		115,777,610	90,026,664
Less: Depreciation charged during the period		(2,518,641)	(6,170,667)
Add: Surplus/ (Deficit)		-	31,921,613
		(2,518,641)	25,750,946
Closing book value		<u>113,258,969</u>	<u>115,777,610</u>

8 COST OF SALES

		Quarter Ended		Half Year Ended	
	Note	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
-----Rupees-----					
Opening finished goods		293,182	96,253	672,677	531,985
Purchases of pipes and fittings		276,039	73,185	418,878	137,336
Cost of goods manufactured	8.1	5,147,081	2,652,218	11,654,450	10,707,323
		<u>5,716,302</u>	<u>2,821,656</u>	<u>12,746,005</u>	<u>11,376,644</u>
Closing finished goods		(520,361)	(433,361)	(520,361)	(433,361)
		<u>5,195,941</u>	<u>2,388,295</u>	<u>12,225,644</u>	<u>10,943,283</u>

	Quarter Ended		Half Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	-----Rupees-----			
8.1 Cost of Goods Manufactured				
Opening raw material	185,588	79,500	23,913	180,375
Purchase of raw material	1,208,013	938,551	2,855,464	1,539,527
Closing raw material	(210,521)	(43,610)	(210,521)	(43,610)
Packing and raw material consumed	1,183,080	974,442	2,668,856	1,676,292
Director's remuneration	187,500	187,500	375,000	375,000
Salaries, wages and benefits	1,519,218	1,382,608	3,795,055	3,054,528
Fuel and power	343,488	289,386	894,222	744,776
Stores and spares	12,550	39,650	36,247	57,100
Repair and maintenance	237,304	336,729	374,678	485,015
Postage and telephone	21,780	19,597	45,336	45,189
Rent, rates and taxes	95,600	-	95,600	95,600
Traveling and conveyance	81,645	127,136	213,947	243,366
Entertainment	4,992	1,854	10,101	7,427
Depreciation	1,685,484	1,976,970	3,370,968	3,953,941
	5,372,641	5,335,872	11,880,010	10,738,234
Opening work in process	29,698	124,610	29,698	5,744
Closing work in process	(255,258)	(36,656)	(255,258)	(36,656)
	(225,560)	87,954	(225,560)	(30,912)
	5,147,081	5,423,826	11,654,450	10,707,323
9 TRANSACTIONS WITH RELATED PARTIES				
			Half Year Ended	
			December 31, 2018	December 31, 2017
			-----Rupees-----	
Relationship with the company	Nature of transaction			
Key management personnel	Salaries and other employee benefits		1,500,000	1,500,000
All transactions with related parties have been carried out on commercial terms and conditions.				
10 CORRESPONDING FIGURES				
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.				
Comparative information has been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. However no major reclassification has been made during this period.				
11 DATE OF AUTHORIZATION FOR ISSUE				
These condensed interim financial statements have been issued for authorization on February 26, 2019 by the board of directors of the company.				
ARIF SHAFFI CHIEF EXECUTIVE	MUHAMMAD SHAFFI DIRECTOR	ASIF SHAFFI CHIEF FINANCIAL OFFICER		