



**QUARTERLY
REPORT
AND ACCOUNT
MARCH 31, 2019
(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 unaudited accounts for the 3rd quarter ended March 31, 2019.

Sales during the year under review was increased to Rs. 6.703 million as compared to Rs. 4.943 million of the same period last year and net loss during the year was Rs. 12.872 million as compared to a net loss of Rs. 13.673 million during the previous year. The lower production of PVC Pipes & Fittings at Islamabad is due to shortage of funds.

The financial position of your company during the quarter ended March 31, 2019 further deteriorated due to high financial charges, idle cost and depreciation. As reported previously, Ghara Plant remains closed and there was no production during the period under review. The Management is hopeful that all the old issues can be settled amicably.

Islamabad: April 22, 2019

(ARIF SHAFFI)
Chief Executive

پاکستان پی وی سی لمیٹیڈ شینر ہو لڈرز کے لیے ڈائر یکٹرز کی رپورٹ

بورڈ میں شامل میرے ساتھیوں کی طرف سے، میں بغیر ترمیم کیے سے ماہی اکاؤنٹس رپورٹ جو 31 مارچ 2019 کو ختم ہوا پیش کرتا ہوں۔ جاری سال میں فروخت میں اضافہ ہوا جو مبلغ 6.703 ملین روپے ہے جو پچھلے سال کی اسی سے ماہی میں مبلغ 4.943 ملین روپے سے زیادہ ہے۔ اور جاری سال کا نقصان مبلغ 12.673 روپے سے کم ہے۔ اسلام آباد پی وی سی پائپ اور فٹنگ کی کم پیداوار کی وجہ فنڈ کی کمی ہے۔

31 مارچ 2019 کو ختم ہونے والے سال کی سے ماہی میں آپ کی کمپنی کے مالی حیثیت میں بڑے مالی اخراجات، غیر پیداواری اخراجات اور پیداوار میں کمی کی وجہ واقع ہوئی جیسا کہ پہلے بھی بتایا گیا ہے گھارو پلانٹ ابھی تک بند ہے اور وہاں اس نظر عرصہ کے دوران کوئی پیداوار حاصل نہیں ہوئی۔ انتظامیہ پر امید ہے کہ پرانے مسائل جلد از جلد حل ہو جائیں گے۔

مورخہ: 22 اپریل 2019

(عارف شفیع)
چیف ایگزیکٹو



PAKISTAN PVC LIMITED					
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION					
AS AT MARCH 31, 2019					
	Note	Un-audited March 31, 2019	Audited June 30, 2018		
		-----Rupees-----		Note	Un-audited March 31, 2019
					Audited June 30, 2018
		-----Rupees-----			
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS	
Authorized capital					
15,000,000 (June 30, 2018: 15,000,000)				Property, plant and equipment	7
ordinary shares of Rs.10/- each		150,000,000	150,000,000		182,712,170
					187,095,786
Issued, subscribed and paid up capital					
14,958,000 (June 30, 2018: 14,958,000)				Long term investments	122,500
ordinary shares of Rs.10/- each		149,580,000	149,580,000		182,834,670
Accumulated loss		(487,992,603)	(479,504,747)		187,200,786
Surplus on revaluation of fixed assets		170,746,859	175,131,108		
		(167,665,744)	(154,793,640)		
Deferred liabilities					
Staff retirement benefits - gratuity	1		197,370		
CURRENT LIABILITIES					
Trade and other payables		88,568,838	85,546,439	Stocks in trade	1,013,758
Unclaimed Dividend		45,980	45,980	Trade debts	1,638,474
Accrued mark up / interest		190,090,280	184,661,047	Loans and advances	185,806
Short term borrowings		40,150,119	40,663,242	Trade deposits and other receivables	100,000
Current portion of long term financing	6	32,991,000	32,991,000	Other receivables	29,459
Provision for taxation - net		1,998,567	1,313,283	Tax refunds due from Government	153,012
				Cash and bank balances	223,861
		353,844,784	345,220,991		3,344,370
					3,423,936
CONTINGENCIES AND COMMITMENTS					
	5				
		186,179,041	190,624,721		186,179,040
					190,624,721
The annexed notes form an integral part of these condensed interim financial information.					
ARIF SHAFFI		MUHAMMAD SHAFFI		ASIF SHAFFI	
CHIEF EXECUTIVE		DIRECTOR		CHIEF FINANCIAL OFFICER	

PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2019

	Quarter Ended		Third Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note	-----Rupees-----			
Sales - net	2,049,407	1,827,287	6,702,598	4,942,872
Cost of sales	8 (6,164,568)	(5,365,890)	(18,390,212)	(16,813,936)
Gross loss	(4,115,161)	(3,538,603)	(11,687,614)	(11,871,064)
Other income	4,115,992	4,420,583	12,205,358	9,935,615
Distribution cost	(690,460)	(440,313)	(1,806,185)	(1,466,049)
Administrative expenses	(1,183,593)	(851,985)	(3,478,791)	(2,913,751)
Finance cost	(1,809,744)	(1,809,706)	(5,433,301)	(5,433,510)
Loss before taxation	(3,682,966)	(2,220,025)	(10,200,532)	(11,748,759)
Taxation	(908,909)	(804,362)	(2,671,573)	(1,923,782)
Loss for the period	(4,591,875)	(3,024,387)	(12,872,105)	(13,672,541)
Loss per share - basic and diluted	(0.31)	(0.20)	(0.86)	(0.91)

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 THIRD QUARTER ENDED MARCH 31, 2019

	Quarter Ended		Third Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	-----Rupees-----			
Loss for the period	(4,591,875)	(3,024,387)	(12,872,105)	(13,672,541)
Other comprehensive income for the period		-		-
Total comprehensive loss for the period	(4,591,875)	(3,024,387)	(12,872,105)	(13,672,541)

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 THIRD QUARTER ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(10,200,532)	(11,748,759)
<i>Adjustments for :</i>		
Depreciation	5,168,956	5,960,220
Finance cost	5,433,301	5,433,510
Provision for staff retirement benefits - gratuity	(197,369)	3,318
Accrued Interest on investment	(17,500)	(15,000)
Rental income	(12,187,858)	(9,935,615)
	(1,800,471)	1,446,432
Operating cash flows before changes in working capital	(12,001,003)	(10,302,327)
(Increase) / decrease in current assets		
Stock in trade	(287,470)	108,400
Stores, spare part and loose tools	-	-
Trade debts	(450,259)	(671,714)
Loans and advances	856,182	(1,093,213)
Tax refunds due from Government - sales tax	78,068	4,224
	196,521	(1,652,303)
Increase in current liabilities		
Trade and other payables	2,787,022	4,066,775
	2,983,543	2,414,472
Net cash used in operations	(9,017,460)	(7,887,855)
Income tax paid	(1,986,289)	(1,588,575)
Finance cost paid	(4,068)	(4,277)
	(1,990,357)	(1,592,852)
Net cash used in operating activities	(11,007,818)	(9,480,707)
CASH FLOWS FROM INVESTING ACTIVITIES		
Rent received	12,396,115	10,166,657
Addition in Property Plant & Equipment	(785,340)	-
Net cash generated from investing activities	11,610,775	10,166,657
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short term borrowings	(513,123)	(465,657)
Net cash generated from financing activities	(513,123)	(465,657)
Net increase/(decrease) in cash and cash equivalents	89,834	220,293
Cash and cash equivalent at the beginning of the period	134,026	109,446
Cash and cash equivalent at the end of the period	223,860	329,739

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 THIRD QUARTER ENDED MARCH 31, 2019

	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	-	(13,672,541)		(13,672,541)
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	149,580,000	(478,623,002)	121,512,789	(204,034,258)
Balance as at July 1, 2018	149,580,000	(479,504,747)	175,131,108	(154,793,640)
Total comprehensive loss for the period	-	(12,872,105)		(12,872,105)
Transfer from revaluation surplus on account of incremental depreciation	-	4,384,249	(4,384,249)	-
Balance as at March 31, 2019	149,580,000	(487,992,603)	170,746,858	(167,665,745)

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 THIRD QUARTER ENDED MARCH 31, 2019

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, Ghoro 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 Ghoro 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 third quarter ended March 31, 2019 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 third quarter ended March 31, 2019 which are not audited. These condensed interim financial statements also include the condensed interim income statement for the quarter ended March 31, 2019.

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 487.993 million (June 30, 2018: Rupees 479.504 million) as at March 31, 2019 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 167.666 million (June 30, 2018: 154.793 million). The current liabilities exceed the current assets by Rupees 350.500 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 March 31, 2019	Audited June 30, 2018
-----Rupees-----			
Operating assets	7.1	70,712,521	71,318,176
Non operating assets	7.2	111,999,649	115,777,610
		182,712,170	187,095,786
7.1 Operating assets			
Opening book value		71,318,176	47,312,320
Less: Depreciation charged during the period		(1,390,995)	(1,807,318)
Add: Addition During the Year		785,340	620,513
Add: Surplus/(Deficit)		-	25,192,661
		(605,655)	24,005,855
Closing book value		70,712,521	71,318,176
7.2 Non operating assets			
Opening book value		115,777,610	90,026,664
Less: Depreciation charged during the period		(3,777,961)	(6,170,667)
Add: Surplus/(Deficit)		-	31,921,613
		(3,777,961)	25,750,946
Closing book value		111,999,649	115,777,610

8 COST OF SALES

Note	Quarter Ended		Third Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
-----Rupees-----				
Opening finished goods	672,677	96,253	672,677	531,985
Purchases of pipes and fittings	102,875	173,821	521,753	311,157
Cost of goods manufactured	8.1 5,965,168	5,561,473	17,619,617	16,436,451
	6,740,720	5,831,547	18,814,047	17,279,593
Closing finished goods	(423,836)	(465,657)	(423,836)	(465,657)
	6,316,884	5,365,890	18,390,212	16,813,936
-----Rupees-----				
8.1 Cost of Goods Manufactured				
Opening raw material	23,913	136,766	23,913	180,375
Purchase of raw material	1,084,795	1,221,791	3,940,259	2,761,318
Closing raw material	(347,100)	-	(347,100)	-
Packing and raw material consumed	761,608	1,358,557	3,617,072	2,941,694
Director's remuneration	187,500	187,500	562,500	562,500
Salaries, wages and benefits	1,974,608	1,408,786	5,769,663	4,650,814
Fuel and power	399,270	451,944	1,293,492	1,196,720
Stores and spares	23,500	42,500	59,747	99,600
Repair and maintenance	432,387	202,573	807,065	687,588
Postage and telephone	30,661	23,742	75,997	68,931
Rent, rates and taxes	-	-	95,600	95,600
Traveling and conveyance	260,266	83,258	474,213	326,624
Entertainment	10,839	6,344	20,940	13,771
Depreciation	1,685,485	1,976,970	5,056,453	5,930,911
	5,766,124	5,742,175	17,832,742	16,574,753
Opening work in process	29,698	(36,656)	29,698	5,744
Closing work in process	(242,822)	(144,046)	(242,822)	(144,046)
	(213,124)	(180,702)	(213,124)	(138,302)
	5,553,000	5,561,473	17,619,617	16,436,451

9 TRANSACTIONS WITH RELATED PARTIES

		Third Quarter Ended	
		March 31,	March 31,
		2019	2018
		-----Rupees-----	
Relationship with the company	Nature of transaction		
Key management personnel	Salaries and other employee benefits	2,250,000	2,250,000
All transactions with related parties have been carried out on commercial terms and conditions.			

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 April 22, 2019 by the board of directors of the company.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

ASIF SHAFFI
CHIEF FINANCIAL OFFICER