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**QUARTERLY REPORT
AND ACCOUNT
MARCH 31, 2015
(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, 2015.

Sales during the year under review was decreased to Rs. 4.328 million as compared to Rs. 5.903 million of the same period last year and net loss during the year was Rs. 19.855 million as compared to a net loss of Rs. 14.641 million during the previous year. The lower production of PVC Pipes & Fittings at Islamabad is due to shortage of funds and prevailing economic conditions in the country.

The financial position of your company during the quarter ended March 31, 2015 further deteriorated due to high raw material cost, political situation, financial charges, idle cost and depreciation. As reported previously, Ghara Plant remains closed and there was no production during the period under review.

Islamabad: April 25, 2015

(ARIF SHAFFI)
Chief Executive

PAKISTAN PVC LIMITED

Registered Office

Islamabad, Ghara Dist. Thana

PAKISTAN PVC LIMITED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

Note	Un-audited March 31, 2015	Audited June 30, 2014	Note	Un-audited March 31, 2015	Audited June 30, 2014
	-----Rupees-----			-----Rupees-----	
ESERVES			NON CURRENT ASSETS		
	150,000,000	150,000,000	Property, plant and equipment	7 158,773,206	166,999,944

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

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2015

		Quarter Ended		Third Quarter Ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Note		-----Rupees-----			
Sales - net		2,260,003	5,273,088	4,328,209	5,902,810
Cost of sales	8	(6,621,340)	(6,252,225)	(18,120,061)	(18,773,224)
Gross loss		(4,361,337)	(979,137)	(13,791,852)	(12,870,414)
Other income		968,556	3,072,804	5,251,669	9,304,868
Distribution cost		(589,479)	(595,852)	(2,024,961)	(2,423,049)
Administrative expenses		(900,254)	(1,258,699)	(2,754,201)	(3,094,529)
Other operating expenses		-	-	-	(101,705)
Finance cost		(1,809,745)	(1,814,556)	(5,436,085)	(5,436,746)
Loss before taxation		(6,692,259)	(1,575,440)	(18,755,430)	(14,621,575)
Taxation		(151,716)	(13,835)	(1,099,695)	(19,041)
Loss for the period		(6,843,975)	(1,589,275)	(19,855,125)	(14,640,616)
Loss per share - basic and diluted		(0.46)	(0.11)	(1.33)	(0.98)

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

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2015

	Quarter Ended		Third Quarter Ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
-----Rupees-----				
Loss for the period	(6,843,975)	(1,589,275)	(19,855,125)	(14,640,616)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(6,843,975)	(1,589,275)	(19,855,125)	(14,640,616)

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

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2015

March 31,
2015

March 31,
2014

-----Rupees-----

**CASH FLOWS FROM
OPERATING ACTIVITIES**

Loss before taxation (18,755,430) (14,621,575)

Adjustments for :

Depreciation	8,226,738	7,826,861
Finance cost	5,436,085	5,436,746
Bad debts	-	101,705
Provision for staff retirement benefits - gratuity	3,316	3,316
Rental income	(5,251,669)	(9,304,868)
	8,414,470	4,063,760

Operating cash flows before changes in working capital (10,340,960) (10,557,815)

(Increase) / decrease in current assets

Stock in trade	(24,256)	383,414
Trade debts	210,634	(465,767)
Loans and advances	267,711	(88,224)
Trade deposits and other receivables	(100,000)	-
Tax refunds due from Government - sales tax	(1,018)	139,163
	353,071	(31,415)

Increase in current liabilities

Trade and other payables	6,213,047	426,561
	6,566,117	395,146

Net cash used in operations (3,774,842) (10,162,669)

Income tax paid	(1,294,201)	(915,234)
Finance cost paid	(6,852)	(7,513)
	(1,301,052)	(922,746)

Net cash used in operating activities (5,075,895) (11,085,415)

CASH FLOWS FROM INVESTING ACTIVITIES

Rent received	4,583,879	7,195,434
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Net cash generated from investing activities	4,583,879	7,195,434
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CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short term borrowings	190,550	(8,267)
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Net cash generated from financing activities	190,550	(8,267)
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Net decrease in cash and cash equivalents	(301,466)	(3,898,248)
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Cash and cash equivalent at the beginning of the period	176,346	4,004,127
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Cash and cash equivalent at the end of the period	(125,120)	105,879
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The annexed notes form an integral part of these condensed interim financial information.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2015

	Share capital	Accumulated loss	Total
	-----RUPEES-----		
Balance as at July 1, 2013	149,580,000	(407,343,877)	(257,763,877)
Total comprehensive loss for the period	-	(14,640,616)	(14,640,616)
Transfer from revaluation surplus on account of incremental depreciation	-	5,328,387	5,328,387
Balance as at December 31, 2013	149,580,000	(416,656,106)	(267,076,106)
Balance as at July 1, 2014	149,580,000	(420,911,735)	(271,331,735)
Total comprehensive loss for the period	-	(19,855,125)	(19,855,126)
Transfer from revaluation surplus on account of incremental depreciation	-	7,193,322	7,193,322
Balance as at March 31, 2015	149,580,000	(433,573,538)	(283,993,539)

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

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

PAKISTAN PVC LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2015

1 LEGAL STATUS AND OPERATIONS

- 1.1 Pakistan PVC Limited (the company) is incorporated in Pakistan and is listed on the Karachi (KSE) and Lahore Stock exchange (LSE). KSE has transferred the company to default counter. The present management are the ex-owners of the company who took over the management on February 08, 1992 after acquiring 51% shares from the Privatization Commission of Government of Pakistan under the privatization policy. During the year 2006, the company offered right shares in the ratio of two shares for every one share held. Only 180 shares were subscribed by the existing shareholders, remaining shares were taken up by the underwriter (Ensena Holdings Inc.), which constitutes 66% of the total shareholding. The registered office of the company is situated at Shaffiabad, Gharo, 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 Gharo 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. The company has applied for settlement of loans to all financial institutions under SBP circular no. 29, dated October 15, 2002, as a result long term loan from HBL has been settled.
- 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

Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS), IAS 34 'Interim Financial Reporting' as applicable in Pakistan. 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 as at and for the year ended June 30, 2014.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the half year ended December 31, 2014 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, 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2014.
- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2014.

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, 2014.

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 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, 2015	Audited June 30, 2014
-----Rupees-----			
Operating assets	7.1	52,155,999	54,034,314
Non operating assets	7.2	106,617,208	112,965,630
		<u>158,773,206</u>	<u>166,999,944</u>

7.1 Operating assets

Opening book value		54,034,314	56,854,871
Less: Depreciation charged during the period		(1,878,316)	(2,820,556)
		<u>(1,878,316)</u>	<u>(2,820,556)</u>
Closing book value		<u>52,155,999</u>	<u>54,034,314</u>

7.2 Non operating assets

Opening book value		112,965,630	122,370,700
Less: Depreciation charged during the period		(6,348,422)	(9,405,070)
		<u>(6,348,422)</u>	<u>(9,405,070)</u>
Closing book value		<u>106,617,208</u>	<u>112,965,630</u>

8 COST OF SALES

		Quarter Ended		Third Quarter Ended	
		March 31,	March 31,	March 31,	March 31,
Note		2015	2014	2015	2014
-----Rupees-----					
Opening finished goods		281,649	162,283	281,649	855,144
Purchases of pipes and fittings		60,716	-	127,410	-
Cost of goods manufactured	8.1	6,926,761	6,587,472	18,358,788	18,415,610
		7,269,126	6,749,755	18,767,847	19,270,754
Closing finished goods		(647,786)	(497,530)	(647,786)	(497,530)
		6,621,340	6,252,225	18,120,061	18,773,224

8.1 Cost of Goods Manufactured

	Quarter Ended		Third Quarter Ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	-----Rupees-----			
<i>Cost of Goods Manufactured</i>				
Opening raw material	281,649	50,417	281,649	50,417
Purchase of raw material	1,158,664	2,404,935	2,002,274	3,499,109
Closing raw material	(65,452)	(90,594)	(65,452)	(90,594)
Packing and raw material consumed	1,374,860	2,364,758	2,218,470	3,458,932
Director's remuneration	187,500	138,267	562,500	414,801
Salaries, wages and benefits	1,451,485	1,132,129	4,075,712	3,406,682
Fuel and power	407,642	392,240	1,380,343	1,130,158
Stores and spares	124,405	158,156	374,230	476,917
Repair and maintenance	310,304	339,519	863,959	836,904
Postage and telephone	34,274	44,475	103,863	69,416
Rent, rates and taxes	176,400	69,300	176,400	177,309
Traveling and conveyance	135,730	170,730	405,674	561,553
Entertainment	15,665	10,195	40,163	45,868
Depreciation	2,724,489	1,692,325	8,173,467	7,761,692
	6,942,754	6,512,094	18,374,781	18,340,232
Opening work in process	69,714	115,294	69,714	115,294
Closing work in process	(85,708)	(39,916)	(85,708)	(39,916)
	(15,994)	75,378	(15,993)	75,378
	6,926,761	6,587,472	18,358,788	18,415,610

9 TRANSACTIONS WITH RELATED PARTIES

		Third Quarter Ended	
		March 31,	March 31,
		2015	2014
		-----Rupees-----	
Relationship with the company	Nature of transaction		
Key management personnel	Salaries and other employee benefits	2,250,000	2,250,000
Mr. Arif Shaffi-Director	Short term borrowing - received	-	739,820

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 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 25, 2015 by the board of directors of the company.

ARIF SHAFFI
CHIEF EXECUTIVE

MUHAMMAD SHAFFI
DIRECTOR

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