

SHAVYL®

QUARTERLY

REPORT AND ACCOUNT

March 31, 2024
(UNAUDITED)

Pakistan PVC Limited

Registered Office
Shaffiabad, Gharo Dist, Thatta

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Saira Shaffi

CHIEF EXECUTIVE

Arif Shaffi

DIRECTORS

Arshad Javaid

Adeel Shaffi

Abdullah Shaffi

Mohammad Iqbal

Mohammad Shaffi

SECRETARY

Adeel Shaffi

CHIEF FINANCIAL OFFICER

Asif Shaffi

AUDITORS

Mushtaq & Co., Chartered Accountants

AUDIT COMMITTEE

Arshad Javaid – Chairman

Mohammad Iqbal – Member

Mohammad Shaffi – Member

HUMAN RESOURCES & REMUNERATION COMMITTEE

Arshad Javaid – Chairman

Mohammad Iqbal – Member

Mohammad Shaffi – Member

BANKERS

Habib Bank Limited

MCB Bank Limited

Faysal Bank Limited

REGISTERED OFFICE

Shaffiabad, Gharo, District Thatta

SHARE REGISTRAR

CORPLINK (PVT) LTD.,

Wings Arcade, 1 – K, Commercial,
Model Town, Lahore.

FACTORIES

Shaffiabad, Gharo, District Thatta.

Sector I – 9, Industrial Area,
Islamabad.

کمپنی کی معلومات

	بورڈ آف ڈائریکٹرز
سائبرہ شفیع	چیئرمین
عارف شفیع	چیف ایگزیکٹو
ارشاد جاوید عدیل شفیع عبداللہ شفیع محمد اقبال محمد شفیع	ڈائریکٹرز
عدیل شفیع	کمپنی سیکریٹری
آصف شفیع	چیف فنانشل آفیسر
مشتاق اینڈ کمپنی ، چارٹرڈ اکاؤنٹنٹس	آڈیٹرز
ارشاد جاوید - چیئرمین محمد اقبال - رکن محمد شفیع - رکن	آڈٹ کمیٹی
ارشاد جاوید - چیئرمین محمد اقبال - رکن محمد شفیع - رکن	انسانی وسائل & معاوضے کمیٹی
حبیب بینک لمیٹڈ ایم سی بی بینک لمیٹڈ فیصل بینک لمیٹڈ	بینکر
شفیع آباد ، گھارو ، ضلع ٹھٹھہ	منظور شدہ دفتر
سیکٹر 9 - I ، انڈسٹریل ایریا ، اسلام آباد .	بیڈ آفس
CORPLINK (PVT) LTD., Wings Arcade, 1 – K, Commercial, Model Town, Lahore.	حصص رجسٹرار
شفیع آباد ، گھارو ، ضلع ٹھٹھہ ، سیکٹر 9 - I ، انڈسٹریل ایریا ، اسلام آباد .	فیکٹریوں
+9251 – 4430317, +9251 - 4444578	ٹیلی فون
info@shavyl.com	ای میل اڈریس
www.pakistanpvc.com	ویب سائٹ
0001781	کمپنی رجسٹریشن نمبر
0823852 – 9, 07 – 01 – 3900 – 005 – 64	نیشنل ٹیکس نمبر & سیلز ٹیکس نمبر
کمپنی سیکریٹری ٹیلی فون - 4444578 - 9251 +	شخص کے رابطے کی تفصیلات کی مدد اور بینڈلنگ کے سرمایہ کار شکایات کے لئے نامزد

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 Quater ended March 31, 2024.

The financial position of your company during the Quater ended March 31, 2024 further deteriorated due to financial charges, idle cost and depreciation. 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.

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 decreased to Rs. 6.347 million as compared to Rs. 8.023 million of the same period last year and net profit during the year was Rs. 0.438 million as compared to a net profit of Rs. 103.871 million during the previous year.

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

(MOHAMMAD SHAFFI)
Director

Islamabad: April 26, 2024

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

بورڈ میں اپنے ساتھیوں کی جانب سے، میں آپ کے سامنے 31 مارچ 2024 کو اختتام پذیر ہونے والی کواٹر کا غیر آڈٹ شدہ اکاؤنٹس پیش کر رہا ہوں۔

31 مارچ 2024 کو اختتام پذیر ہونے والی سہ ماہی کے دوران آپ کی کمپنی کی مالی حالت مزید خراب ہوئی جس کی وجہ مالیاتی چارجز، غیر فعالیت اور قدر میں کمی جیسے عناصر بنے۔ جیسا کہ پہلے بتایا جا چکا ہے، گھارو پلانٹ بند رہا تھا جس کی وجہ سے زیر جائزہ مدت کے دوران کسی قسم کی پیداوار نہیں ہوئی۔ آپ کی کمپنی انتظامیہ پر امید ہے کہ تمام تر پرانے تنازعات دوستانہ انداز میں حل کیے جاسکتے ہیں۔

زیر غور مدت کے دوران، گھارو فیکٹری بند رہی 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 8.023 ملین روپوں کی فروخت کی نسبت 6.347 ملین روپے رہی۔ گذشتہ سال ہونے والے 103.871 ملین روپے کے خالص منافع کی نسبت اس سال 0.438 ملین روپوں کا منافع ہوا۔

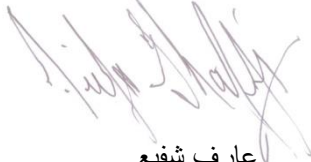
زیر غور سال کے دوران گھارو فیکٹری بند رہی جس کی وجہ سے کوئی پیداوار نہیں ہوئی۔ جیسا کہ پہلے بتایا جا چکا ہے، کہ جب تک گھارو پلانٹ فعال نہیں ہو گا تب تک کوئی فائدہ مند نتائج نہیں مل سکتے۔

بورڈ آف ڈائریکٹرز کی

اسلام آباد: 26 اپریل، 2024
جانب سے



محمد شفیع
ڈائریکٹر



عارف شفیع
چیف ایگزیکٹو

PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

Note	Un-audited	Audited	Note	Un-audited	Audited
	March 31, 2024	June 30, 2023		March 31, 2024	June 30, 2023
-----Rupees-----			-----Rupees-----		
SHARE CAPITAL AND RESERVES			NON CURRENT ASSETS		
	Authorized capital				
	15,000,000 (June 30, 2023: 15,000,000) ordinary shares of Rs.10/- each			Property, plant and equipment	
	150,000,000	150,000,000	9	255,143,339	260,395,096
	Issued, subscribed and paid up capital			Long term investments	
	14,958,000 (June 30, 2023: 14,958,000) ordinary shares of Rs.10/- each			791,923	538,377
	149,580,000	149,580,000		255,935,262	260,933,473
	Accumulated loss				
	(416,667,923)	(421,929,708)			
	Surplus on revaluation of fixed assets				
	246,969,251	251,793,507			
	(20,118,672)	(20,556,201)			
CURRENT LIABILITIES			CURRENT ASSETS		
	Trade and other payables			Stock in trade	
	91,415,215	87,843,207		861,567	1,587,302
	Unclaimed Dividend			Trade debts	
	45,980	45,980		4,575,195	3,419,606
	Accrued interest / mark up		5	Loans and advances	
	113,003,891	110,282,133		1,122,018	923,606
	Short term borrowings		6	Trade deposits	
	48,608,753	46,846,622		100,000	100,000
	Current portion of long term financing		7	Other receivables	
	32,991,000	32,991,000		2,915,881	720,183
	Provision for taxation - net			Tax refunds due from Government	
	4,895,777	17,099,018		4,561,260	6,792,701
	290,960,616	295,107,960		770,761	74,889
	CONTINGENCIES AND COMMITMENTS		8	14,906,682	13,618,287
	270,841,944	274,551,760		270,841,944	274,551,760

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 THIRD QUATER ENDED MARCH 31, 2024**

Note	Quarter Ended		Third Quarter Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
-----Rupees-----				
Sales - net	4,042,874	4,883,901	6,347,387	8,022,889
Cost of sales	10 (16,825,681)	(15,154,935)	(25,584,329)	(23,436,921)
Gross loss	(12,782,807)	(10,271,034)	(19,236,942)	(15,414,032)
Other income	11 16,203,438	122,728,783	24,058,794	129,794,066
Distribution cost	(3,048,544)	(2,489,128)	(4,533,457)	(3,843,990)
Administrative expenses	(3,607,023)	(2,803,262)	(5,755,453)	(4,606,260)
Finance cost	(1,823,639)	(1,818,485)	(2,730,892)	(2,725,738)
Profit/(Loss) before taxation	(5,058,574)	105,346,873	(8,197,949)	103,204,045
Taxation	8,658,358	703,713	8,635,478	666,877
Profit for the period	3,599,784	106,050,586	437,529	103,870,922
Earning per share - basic and diluted	0.24	7.09	0.03	6.94

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 QUATER ENDED MARCH 31, 2024

	Quarter Ended		Third Quater Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	-----Rupees-----			
Profit/(Loss) for the period	3,599,784	106,050,586	437,529	103,870,922
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	<u>3,599,784</u>	<u>106,050,586</u>	<u>437,529</u>	<u>103,870,922</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 CHANGES IN EQUITY (UN-AUDITED)**

FOR THE THIRD QUATER ENDED MARCH 31, 2024

	Issued, subscribed and paid up capital	Revenue Reserve	Capital Reserve	Total
		Accumulated loss	Revaluation Surplus	
Balance as at July 1, 2022	149,580,000	(514,479,268)	155,027,863	(209,871,405)
Profit/(Loss) for the period	-	108,703,527	-	108,703,527
Other Comprehensive income for the period	-	-	-	-
Transfer from revaluation surplus on account of incremental depreciation	-	1,917,671	(1,917,671)	-
Balance as at December 31, 2022	149,580,000	(403,858,070)	153,110,192	(101,167,878)
Balance as at July 1, 2023	149,580,000	(421,929,708)	251,793,507	(20,556,201)
Profit/(Loss) for the period	-	437,529	-	437,529
Other Comprehensive income for the period	-	-	-	-
Transfer from revaluation surplus on account of incremental depreciation	-	4,824,256	(4,824,256)	-
Balance as at March 31, 2024	149,580,000	(416,667,923)	246,969,251	(20,118,672)

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 QUATER ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(8,197,949)	103,204,045
Adjustments for :		
Depreciation	5,251,757	3,357,427
Finance cost	2,730,892	2,725,738
Accrued Interest on investment	(53,546)	(4,692)
Rental income	(24,005,248)	(22,830,229)
	(16,076,146)	(16,751,756)
Operating cash flows before changes in working capital	(24,274,095)	86,452,289
(Increase) / decrease in current assets		
Stock in trade	725,735	(330,607)
Trade debts	(1,155,589)	568,848
Loans and advances	(198,412)	(410,877)
Tax refunds due from Government - sales tax	(33,499)	(1,908,280)
	(661,765)	(2,080,917)
Increase / (decrease) in current liabilities		
Trade and other payables	3,572,008	440,166
	2,910,243	(1,640,751)
Net cash generated from / (used in) operations	(21,363,852)	84,811,538
Income tax paid	(1,959,023)	(170,258)
Finance cost paid	(9,134)	(106,967,815)
	(1,968,157)	(107,138,073)
Net cash used in operating activities	(23,332,009)	(22,326,535)
CASH FLOWS FROM INVESTING ACTIVITIES		
Rent received	22,465,750	21,123,914
Investment in term deposit certificates	(200,000)	-
Proceeds from fixed asset disposal	-	-
Net cash generated from investing activities	22,265,750	21,123,914
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in short term borrowings	1,762,131	1,728,359
Net cash generated from financing activities	1,762,131	1,728,359
Net increase/(decrease) in cash and cash equivalents	695,872	525,738
Cash and cash equivalent at the beginning of the period	74,889	230,459
Cash and cash equivalent at the end of the period	770,761	756,197

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
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2024

1 LEGAL STATUS AND OPERATIONS

- 1.1** Pakistan PVC Limited (the company) was incorporated in Pakistan on October 19, 1963 and is listed on the Pakistan Stock Exchange Limited. Its registered office is located 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.
- 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, 2024 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, 2023.

These condensed interim financial statements comprise of condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes for the third quarter ended March 31, 2024 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 March 31, 2024.

2.2 Basis of measurement

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 416.668 million (June 30, 2023: Rupees 421.930 million) as at March 31, 2024 against the issued subscribed and paid up capital of Rupees 149.580 (June 30, 2023: Rupees 149.580) million turning shareholders' equity to a negative balance of Rupees 20.119 million (June 30, 2023: Rupees 20.556 million). The current liabilities exceed the current assets by Rupees 276.054 million (June 30, 2023: Rupees 281.490 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, 2023, except of change referred to in note 4.

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

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, 2023. 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.

5 ACCRUED INTEREST / MARKUP

	Un-audited March 31, 2024	Audited June 30, 2023
	-----Rupees-----	
Interest / markup on:		
Long term financing	113,003,891	110,282,133
	<u>113,003,891</u>	<u>110,282,133</u>

6 SHORT TERM BORROWINGS

	Un-audited March 31, 2024	Audited June 30, 2023
	-----Rupees-----	
From related parties and directors - unsecured		
Related parties	23,176,509	22,726,509
Directors	21,273,781	22,129,131
Bank over draft - unsecured	4,158,463	1,990,982
	<u>48,608,753</u>	<u>46,846,622</u>

7 CURRENT PORTION OF LONG TERM FINANCING

The entire amount of the loan remains overdue and unpaid.

8 CONTINGENCIES AND COMMITMENTS

- 8.1 The Securities and Exchange Commission of Pakistan (SECP) had appointed an inspector to investigate into the affairs of the company under Section 231 of the Repealed Companies Ordinance, 1984. The inspector has submitted report on his findings to the SECP. The report concluded that the matter may be referred to FBR being the relevant authority to probe into the matter under the Benami Transactions (Prohibition) Act, 2017. Subsequently, The Company filed an appeal with SECP dated June 21,2023. The appeal was declined by Appellate Bench Registry of SECP as it was not maintainable based on the fact that the impugned investigation report was an administrative direction and the same is not penal in nature. However, SECP issued show cause notice regarding misstatement of financials statements from the year 1999 till year end June 30 ,2003 due to non compliance with the requirements of IAS 38 and penalty of Rs.500,000 was imposed on the company in an order dated November 21,2023. Copmany filed an appeal in appellate tribunal against the order and status of the case is pending.
- 8.2 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.
- 8.3 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.32,991,000 along with the markup thereon amounting to Rs.112,096,638 aggregating to Rs.145,087,638. During year 2020, the case was dismissed because no one tendered appearance on behalf of Plaintiff before the Court on the day of hearing. However appeal was filed by Privatization Commission to restore the case. The Appeal was accepted by the Islamabad High Court, written statements were filed by the both parties and the now the same is at evidence stage, wherein evidence is being recorded of both defendants . Due to ongoing dispute with the Privatization Commission on various issues the amount is yet to be finalized.
- 8.4 Written Petition (No.2417/2020) & Written Petition (No. 151/2023) has been filed against the cancellation of the plot allotted to Pakistan PVC Limited by Gadoon Amazon, which was cancelled by Khyber Pakhtunkhwa Economic Zone Development and Management Company (Previously named as Sarhad Development Authority). Reply has been submitted by both defendants and the case is now fixed on 14th October 2023 for final arguments. However ,petition was dismissed by Peshawar High Court. The company has filed an appeal in the Supreme Court and the case is not fixed for hearing yet.

9 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2024	Audited June 30, 2023
-----Rupees-----			
Operating assets	9.1	128,046,457	129,621,925
Non operating assets	9.2	127,096,882	130,773,170
		<u>255,143,339</u>	<u>260,395,095</u>
9.1 Operating assets			
Opening book value		129,621,926	65,816,278
Less: Depreciation charged during the period / year		(1,575,469)	(1,171,610)
Add/Less: Surplus/(Deficit)		-	64,977,257
		(1,575,469)	63,805,647
Closing book value		<u>128,046,457</u>	<u>129,621,925</u>
9.2 Non operating assets			
Opening book value		130,773,170	98,454,401
Less: Depreciation charged during the period / year		(3,676,288)	(3,304,960)
Add/Less: Surplus/(Deficit)		-	35,623,729
		(3,676,288)	32,318,769
Closing book value		<u>127,096,882</u>	<u>130,773,170</u>

10 COST OF SALES

	Unaudited Third Quarter Ended	
	March 31, 2024	March 31, 2023
-----Rupees-----		
Opening finished goods	542,828	597,850
Purchases of pipes and fittings	-	25,500
Cost of goods manufactured	25,460,527	22,988,349
	<u>26,003,355</u>	<u>23,611,699</u>
Closing finished goods	(419,026)	(174,777)
	<u>25,584,329</u>	<u>23,436,921</u>

11 OTHER INCOME

From financial assets/liability

Profit on term deposit account	53,546	-
Markup reversed against bank settlement	-	106,963,836

From other than financial assets

Rental income	24,005,248	22,830,230
	<u>24,058,794</u>	<u>129,794,066</u>

12 TRANSACTIONS WITH RELATED PARTIES

		Unaudited	
		Third Quarter Ended	
		March 31,	March 31,
		2024	2023
		-----Rupees-----	
Relationship with the company	Nature of transaction		
Directors and Sponsors	Loan Received	1,876,000	18,132,000
Directors and Sponsors	Loan Repaid	2,281,350	1,092,500

All transactions with related parties have been carried out on commercial terms and conditions.

13 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.

14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been issued for authorization on April 26, 2024 by the board of directors of the company.



ARIF SHAFFI
CHIEF EXECUTIVE



MUHAMMAD SHAFFI
DIRECTOR



ASIF SHAFFI
CHIEF FINANCIAL OFFICER