

## PAKISTAN PVC LIMITED

Plot # 1-4, & 31-A, Sector I-9, Industrial Area, Islamabad.

Phone: 4430317, 4444578 Fax: (92-51) 4448116

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Website: www.shavyl.com



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PVC/19-10/36

October 11, 2019

Mr. Hafiz Maqsood Munshi  
Manager – Companies & Securities Compliance – RAD,  
Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

**Subject:- Independent Auditors' Report for the Year Ended June 30, 2019**

Dear Sir,

With reference to your letter no. PSX/Gen - 5074 dated October 7, 2019 regarding Independent Auditors' Report for the Year Ended June 30, 2019.

We have to state that in February 1992 under the Privatization Policy of the Government of Pakistan, late Mr. Reyaz Shaffi exercising his right as the ex-owner bought the majority shareholding in Pakistan PVC Limited.

Mr. Reyaz Shaffi (late) spent almost the whole 1995 in jail on cooked up charges pertaining to the privatization of this plant. The main plant at Gharo was forced to close down by disconnection of the electricity under the garb of inflated electricity bills. All banking limits were cancelled turning the company into a sick unit. As a consequence, the nation has lost the production and the employment potential of a very vital industry of a backward area of Thatta District.

The Privatization Commission at the time of privatization of the Company had not informed us that the land and premises of Pakistan PVC Limited at Islamabad were subject to a dispute with Capital Development Authority Islamabad who had issued letters to Pakistan PVC Limited for cancellation of the allotment of plots before the privatization of the Company.

The auditors have qualified their opinion, since the company has prepared the accounts on the going concern basis. The reason given in their qualification is the continued losses sustained by

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the company, no improvement/result of the efforts made by the management for obtaining additional capital.

We would like to state that the case for the revival of the company remains under consideration with the Committee for Revival of Sick Industrial Units set up by the Finance Division, Government of Pakistan. Furthermore, we have requested the Privatization Commission to have our land at Islamabad restored by CDA, arrange possession of the 100 acres of land at Ghara and finalize the adjustments of the 3rd audit report so we may again approach for financial institutions for financing.

In recent years the management has taken considerable steps to improve the financial health of the Company by adding a new line of state of the art PVC Pipe production at Islamabad and have also ventured into new product lines such as Purified Water.

We continue to explore the possibility of obtaining soft loans and supplier's credit from Chinese companies. The management has neither intention nor the necessity of liquidation or ceasing manufacturing operation in foreseeable future. So, with the successful efforts of the Management, the Company will continue as a going concern.

Thanking you.

Yours faithfully

For Pakistan PVC Limited

Adeel Shaffi – Company Secretary