



QUARTERLY REPORT AND ACCOUNTS

MARCH 31, 2020
(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, 2020.

Sales during the year under review was decreased to Rs. 4.788 million as compared to Rs. 6.703 million of the same period last year and net loss during the year was Rs. 12.697 million as compared to a net loss of Rs. 12.862 million during the previous year. The lower production of PVC Pipes & Fittings at Islamabad is due to lockdown on account of Covid – 19 pandemic and shortage of funds.

The financial position of your company during the quarter ended March 31, 2020 further deteriorated due to high financial charges, idle cost and depreciation. As reported previously, Gharo 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.

**(ARIF SHAFFI)
Chief Executive**

Islamabad: April 27, 2020

**پاکستان پی وی سی لمبیٹ
شیئر ہو لڈر کے لیے ڈائریکٹر کی رپورٹ**

بورڈ میں شامل میرے ساتھیوں کی طرف سے، میں بغیر ترمیم کیے سے ماہی اکاؤنٹس رپورٹ جو 31 مارچ 2020 کو ختم ہوا پیش کرتا ہوں۔ جاری سال میں فروخت میں اضافہ ہوا جو مبلغ 4.778 ملین روپے ہے جو پچھلے سال کی اسی سے ماہی میں مبلغ 6.703 ملین روپے سے زیادہ ہے۔ اور جاری سال کا نقصان مبلغ 12.697 روپے سے کم ہے۔ اسلام آباد میں پیوسی پانپس اور فنگوں کی کم پیداوار کو ویڈیو - 19 وبا امراض اور فنڈر کی قلت کے سبب ہے۔

31 مارچ 2020 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 ہونی جیسا کہ پہلے بھی بتایا گیا ہے کھارو پلانٹ ابھی تک بند ہے اور وبا اس نظر عرصہ کے دوران کوئی پیداوار حاصل نہیں ہوئی۔ انتظامیہ پرامد ہے کہ پرانے مسائل جلد از جلد حل ہو جائیں گے۔

**(عارف شفیع)
چیف ایگزیکٹیو**

مورخہ: 27 اپریل 2020

PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

Note	Un-audited March 31, 2020	Audited June 30, 2019	----- Rupees-----	NON CURRENT ASSETS	Note	Un-audited March 31, 2020	Audited June 30, 2019	----- Rupees-----
SHARE CAPITAL AND RESERVES								
Authorized capital								
15,000,000 (June 30, 2019: 15,000,000) ordinary shares of Rs.10/- each	150,000,000	150,000,000		Property, plant and equipment	7	176,351,350	180,989,185	
Issued, subscribed and paid up capital				Long term investments		142,500	122,500	
14,958,000 (June 30, 2019: 14,958,000) ordinary shares of Rs.10/- each	149,580,000	149,580,000				176,493,850	181,111,685	
Accumulated loss	(499,889,216)	(491,138,135)						
Surplus on revaluation of fixed assets	165,339,618	169,285,442						
	(184,969,599)	(172,272,693)						
CURRENT LIABILITIES								
Trade and other payables	91,119,978	90,656,392		Stocks in trade		903,862	785,200	
Unclaimed Dividend	45,980	45,980		Trade debts		754,630	1,045,312	
Accrued mark up / interest	197,329,260	191,900,027		Loans and advances		148,210	1,123,023	
Short term borrowings	41,144,979	40,321,661		Trade deposits and other receivables		100,000	100,000	
Current portion of long term financing	5	32,991,000		Other receivables		552,793	789,559	
Provision for taxation - net		3,222,417		Tax refunds due from Government		1,160,290	2,024,490	
		365,853,615		Cash and bank balances		770,383	58,510	
CONTINGENCIES AND COMMITMENTS	6					4,390,168	5,926,094	
		180,884,018	187,037,779			180,884,017	187,037,779	

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 QUARTER ENDED MARCH 31, 2020

Note	Quarter Ended		Third Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
-----Rupees-----				
Sales - net	1,342,058	2,049,407	4,788,464	6,702,598
Cost of sales	8 (5,180,398)	(6,164,568)	(17,011,376)	(18,380,212)
Gross loss	(3,838,340)	(4,115,161)	(12,222,912)	(11,677,614)
Other income	5,356,114	4,115,992	15,165,113	12,205,358
Distribution cost	(1,036,460)	(690,460)	(2,738,484)	(1,806,185)
Administrative expenses	(1,301,908)	(1,183,593)	(4,243,024)	(3,478,791)
Finance cost	(1,809,744)	(1,809,744)	(5,435,180)	(5,433,301)
Loss before taxation	(2,630,339)	(3,682,966)	(9,474,488)	(10,190,533)
Taxation	(1,149,422)	(908,909)	(3,222,417)	(2,671,573)
Loss for the period	(3,779,762)	(4,591,875)	(12,696,906)	(12,862,106)
Loss per share - basic and diluted	(0.25)	(0.31)	(0.85)	(0.86)

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, 2020

	Quarter Ended		Third Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
-----Rupees-----				
Loss for the period	(3,779,762)	(4,591,875)	(12,696,906)	(12,862,106)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	(3,779,762)	(4,591,875)	(12,696,906)	(12,862,106)

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

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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, 2020

	Issued, subscribed and paid up capital	Revenue Reserve	Capital Reserve	Total
	Accumulated loss	Revaluation Surplus		
Balance as at July 1, 2018	149,580,000	(479,504,747)	175,131,108	(154,793,640)
Loss for the year	-	(8,280,230)	-	(8,280,230)
Other Comprehensive income for the year	-	-	-	-
Transfer from revaluation surplus on account of incremental depreciation	-	2,922,833	(2,922,833)	-
Balance as at December 31, 2018	149,580,000	(484,862,145)	172,208,275	(163,073,870)
Balance as at July 1, 2019	149,580,000	(491,138,135)	169,285,442	(172,272,693)
Loss for the year	-	(12,696,906)	-	(12,696,906)
Other Comprehensive income for the year	-	-	-	-
Transfer from revaluation surplus on account of incremental depreciation	-	3,945,824	(3,945,824)	-
Balance as at March 31, 2020	149,580,000	(499,889,216)	165,339,617	(184,969,599)

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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, 2020

	March 31, 2020	March 31, 2019
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(9,474,488)	(10,200,532)
<i>Adjustments for :</i>		
Depreciation	4,637,835	5,168,956
Finance cost	5,435,180	5,433,301
Provision for staff retirement benefits - gratuity	1	(197,369)
Accrued Interest on investment	(20,000)	(17,500)
Rental income	(15,145,113)	(12,187,858)
	(5,092,096)	(1,800,470)
Operating cash flows before changes in working capital	(14,566,585)	(12,001,002)
(Increase) / decrease in current assets		
Stock in trade	(118,661)	(287,470)
Trade debts	290,683	(450,259)
Loans and advances	974,813	856,182
Tax refunds due from Government - sales tax	864,199	78,068
	2,011,034	196,521
Increase in current liabilities		
Trade and other payables	87,823	2,787,022
	2,098,857	2,983,543
Net cash used in operations	(12,467,728)	(9,017,459)
Income tax paid	(3,395,412)	(1,986,289)
Finance cost paid	(5,947)	(4,068)
	(3,401,358)	(1,990,357)
Net cash used in operating activities	(15,869,086)	(11,007,816)
CASH FLOWS FROM INVESTING ACTIVITIES		
Rent received	15,757,643	12,396,115
Addition in Property Plant & Equipment	-	(785,340)
Net cash generated from investing activities	15,757,643	11,610,775
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short term borrowings	823,317	(513,123)
Net cash generated from financing activities	823,317	(513,123)
Net increase/(decrease) in cash and cash equivalents	711,874	89,834
Cash and cash equivalent at the beginning of the period	58,510	134,026
Cash and cash equivalent at the end of the period	770,383	223,860

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, 2020

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, Gharo 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 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, 2020 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, 2019.

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, 2020 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, 2020.

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 499.889 million (June 30, 2019: Rupees 491.138 million) as at March 31, 2020 against the issued subscribed and paid up capital of Rupees 149.580 (June 30, 2019: Rupees 149.580) million turning shareholders' equity to a negative balance of Rupees 189.970 million (June 30, 2019: 172.272 million). The current liabilities exceed the current assets by Rupees 361.463 million (June 30, 2019: 353.384 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, 2019, 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, 2019. 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 CURRENT PORTION OF LONG TERM FINANCING

The entire amount of the loan remains overdue and unpaid.

6 CONTINGENCIES AND COMMITMENTS

- 6.1** 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.
- 6.2** 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.

- 6.3 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. 97,580,598 aggregating to Rs. 130,551,598. 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.

7 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2020	Audited June 30, 2019
		-----Rupees-----	
Operating assets	7.1	69,011,186	70,248,856
Non operating assets	7.2	107,340,164	110,740,329
		176,351,350	180,989,185
7.1 Operating assets			
Opening book value		70,248,856	71,318,176
Less: Depreciation charged during the period		(1,237,670)	(1,854,660)
Add: Addition During the Year		-	785,340
Add: Surplus/(Deficit)		-	-
		(1,237,670)	(1,069,320)
Closing book value		69,011,186	70,248,856
7.2 Non operating assets			
Opening book value		110,740,329	115,777,610
Less: Depreciation charged during the period		(3,400,165)	(5,037,281)
Add: Surplus/(Deficit)		-	-
		(3,400,165)	(5,037,281)
Closing book value		107,340,164	110,740,329
8 COST OF SALES			
		Third Quarter Ended	
		March 31, 2020	March 31, 2019
		-----Rupees-----	
Opening finished goods		688,248	672,677
Purchases of pipes and fittings		167,988	418,878
Cost of goods manufactured	8.1	16,822,372	11,654,450
		17,678,608	12,746,005
Closing finished goods		(667,231)	(520,361)
		17,011,376	12,225,644
8.1 Cost of Goods Manufactured			
Opening raw material		73,474	23,913
Purchase of raw material		2,849,975	2,855,464
Closing raw material		(86,224)	(210,521)
Packing and raw material consumed		2,837,225	2,668,856
Director's remuneration		562,500	375,000
Salaries, wages and benefits		5,863,615	3,795,055
Fuel and power		1,617,692	894,222
Stores and spares		81,630	36,247
Repair and maintenance		825,396	374,678
Postage and telephone		69,926	45,336
Rent, rates and taxes		96,500	95,600
Traveling and conveyance		417,840	213,947
Entertainment		29,691	10,101
Depreciation		4,547,285	3,370,968
		16,949,301	11,880,010
Opening work in process		23,478	29,698
Closing work in process		(150,407)	(255,258)
		(126,929)	(225,560)
		16,822,372	11,654,450

9 TRANSACTIONS WITH RELATED PARTIES

Relationship with the company	Nature of transaction	Third Quarter Ended	
		March 31, 2020	March 31, 2019
		-----Rupees-----	
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 April 27, 2020 by the board of directors of the company.

*ARIF SHAFFI
CHIEF EXECUTIVE*

*MUHAMMAD SHAFFI
DIRECTOR*

*ASIF SHAFFI
CHIEF FINANCIAL OFFICER*