
QUARTERLY

REPORT AND ACCOUNT

MARCH 31, 2021
(UNAUDITED)

Pakistan PVC Limited

Registered Office
Shaffiabad, Ghora Dist, Thatta

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Adnan Shaffi

CHIEF EXECUTIVE

Arif Shaffi

DIRECTORS

Masood Parvaiz

Adeel Shaffi

Saira Shaffi

Mohammad Iqbal

Mohammad Shaffi

Adeel Shaffi

SECRETARY

Asif Shaffi

CHIEF FINANCIAL OFFICER

AUDITORS

Mushtaq & Co., Chartered
Accountants

AUDIT COMMITTEE

Masood Parvaiz – Chairman

Mohammad Iqbal – Member

Mohammad Shaffi – Member

Masood Parvaiz – Chairman

Mohammad Iqbal – Member

Mohammad Shaffi – Member

HUMAN RESOURCES &

REMUNERATION

COMMITTEE

BANKERS

Habib Bank Limited

MCB Bank Limited

Faysal Bank Limited

REGISTERED OFFICE

Shaffiabad, Ghara, District Thatta

SHARE REGISTRAR

CORPLINK (PVT) LTD.,

Wings Arcade, 1 – K, Commercial,

Model Town, Lahore.

FACTORIES

Shaffiabad, Ghara, District Thatta.

Sector I – 9, Industrial Area, Islamabad.

کمپنی کی معلومات

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

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, 2021.

As in the rest of the world, COVID-19 adversely affected lifestyles and business operations in Pakistan. The Company complied with the Standard Operating Procedures (SOPs) prescribed by Federal and Provincial Governments. Sales and production activities were affected during lockdowns, however, the factory reopened after necessary permissions to produce orders for exports and essential services. The Company remained up to date in all its financial commitments. The Management believes that the going concern assumption of the Company remains valid.

The financial position of your company during the Quater ended March 31, 2021 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 increased to Rs. 7.413 million as compared to Rs. 4.788 million of the same period last year and net loss during the year was Rs. 8.690 million as compared to a net loss of Rs. 12.697 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)

(MOHAMMAD SHAFFI)

Islamabad: April 23, 2021

Chief Executive

Director

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 2021 کو اختتام پذیر ہونے والی کواٹر کا غیر آڈٹ شدہ اکاؤنٹس پیش کر رہا ہوں۔

باقی دنیا کی طرح، COVID-19 نے پاکستان میں طرز زندگی اور کاروباری کاموں کو بری طرح متاثر کیا۔ کمپنی نے وفاقی اور صوبائی حکومتوں کے ذریعہ تجویز کردہ معیاری آپریٹنگ طریقہ کار (SOPs) کی تعمیل کی۔ لاک ڈاؤن کے دوران فروخت اور پیداواری سرگرمیاں متاثر ہوئیں، تاہم، برآمدات اور ضروری خدمات کے آرڈر تیار کرنے کے لئے ضروری اجازت نامے کے بعد فیکٹری دوبارہ کھولی۔ کمپنی اپنے تمام مالی وعدوں میں تازہ ترین رہی۔ مینجمنٹ کا خیال ہے کہ کمپنی کی جاری تشویش کا مفروضہ درست ہے۔

31 مارچ 2021 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 جا سکتے ہیں۔

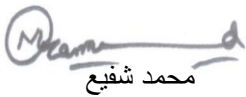
زیر غور مدت کے دوران، گھارو فیکٹری بند رہی جس کی وجہ سے کوئی پیداوار نہ ہو سکی۔ اس سال کے دوران اسلام آباد میں پی وی سی پائپس اور فٹنگز کی پیداوار میں اضافہ ہوا۔

زیر غور سال کے دوران ہونے والی فروخت سابقہ سال اسی مدت کے دوران ہونے والے 4.788 ملین روپوں کی فروخت کی نسبت 7.413 ملین روپے رہی۔ گذشتہ سال ہونے والے 12.697 ملین روپے کے خالص نقصان کی نسبت اس سال 8.690 ملین روپوں کا نقصان 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 جانب سے

اسلام آباد: 23 اپریل، 2021


محمد شفیع

ڈائریکٹر


عارف شفیع


چیف ایگزیکٹو

PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	Un-audited March 31, 2021	Audited June 30, 2020		Note	Un-audited March 31, 2021	Audited June 30, 2020
		Rupees				Rupees	
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
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	170,642,431	174,805,405
Issued, subscribed and paid up capital							
14,958,000 (June 30, 2019: 14,958,000)							
ordinary shares of Rs.10/- each							
		149,580,000	149,580,000	Long term investments		430,000	142,500
Accumulated loss						171,072,431	174,947,905
Surplus on revaluation of fixed assets							
		(506,774,843)	(501,636,103)				
		160,473,102	164,024,343				
		(196,721,741)	(188,031,761)				
Deferred liabilities							
Staff retirement benefits - gratuity							
		-	-				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables				Stocks in trade			
		89,992,699	90,462,886			1,269,801	730,572
Unclaimed Dividend				Trade debts			
		45,980	45,980			1,739,877	748,914
Accrued mark up / interest				Loans and advances			
		204,568,238	199,139,004			181,697	146,499
Short term borrowings				Trade deposits and other receivables			
		41,846,096	41,122,646			100,000	100,000
Current portion of long term financing				Other receivables			
0		32,991,000	32,991,000			225,683	692,557
Provision for taxation - net				Tax refunds due from Government			
		3,681,623	3,901,251			1,749,149	2,232,224
				Cash and bank balances			
						65,258	32,337
CONTINGENCIES AND COMMITMENTS						5,331,464	4,683,102
0							
		373,125,636	367,662,767				
		176,403,895	179,631,007			176,403,895	179,631,007

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 QUARTER ENDED MARCH 31, 2021

	Note	Quarter Ended		Third Quarter Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		-----Rupees-----			
Sales - net		4,330,595	1,342,058	7,412,774	4,788,464
Cost of sales	8	(7,430,850)	(5,180,398)	(18,358,864)	(17,011,376)
Gross loss		(3,100,255)	(3,838,340)	(10,946,090)	(12,222,912)
Other income		5,891,727	5,356,114	17,147,194	15,165,113
Distribution cost		(1,213,068)	(1,036,460)	(2,160,382)	(2,738,484)
Administrative expenses		(1,212,123)	(1,301,908)	(3,619,333)	(4,243,024)
Finance cost		(1,809,744)	(1,809,744)	(5,429,747)	(5,435,180)
Loss before taxation		(1,443,463)	(2,630,338)	(5,008,358)	(9,474,488)
Taxation		(1,298,537)	(1,149,422)	(3,681,623)	(3,222,417)
Loss for the period		(2,742,000)	(3,779,760)	(8,689,981)	(12,696,906)
Loss per share - basic and diluted		(0.18)	(0.25)	(0.58)	(0.85)

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 QUARTER ENDED MARCH 31, 2021

	Quarter Ended		Third Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----Rupees-----			
Loss for the period	(2,742,000)	(3,779,762)	(8,689,981)	(12,696,906)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(2,742,000)</u>	<u>(3,779,762)</u>	<u>(8,689,981)</u>	<u>(12,696,906)</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 QUARTER ENDED MARCH 31, 2021

	Issued, subscribed and paid up capital	Revenue Reserve Accumulated loss	Capital Reserve Revaluation Surplus	Total
Balance as at July 1, 2019	149,580,000	(491,138,135)	169,285,442	(172,272,693)
Loss for the year	-	(8,917,144)	-	(8,917,144)
Other Comprehensive income for the year	-	-	-	-
Transfer from revaluation surplus on account of incremental depreciation	-	2,630,550	(2,630,550)	-
Balance as at December 31, 2019	149,580,000	(497,424,729)	166,654,892	(181,189,837)
Balance as at July 1, 2020	149,580,000	(501,636,103)	164,024,343	(188,031,761)
Loss for the year	-	(8,689,981)	-	(8,689,981)
Other Comprehensive income for the year	-	-	-	-
Transfer from revaluation surplus on account of incremental depreciation	-	3,551,241	(3,551,241)	-
Balance as at March 31, 2021	149,580,000	(506,774,843)	160,473,102	(196,721,742)

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 QUARTER ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,008,358)	(9,474,488)
<i>Adjustments for :</i>		
Depreciation	4,162,974	4,637,835
Finance cost	5,429,747	5,435,180
Provision for staff retirement benefits - gratuity	1	1
Accrued Interest on investment	(287,500)	(20,000)
Rental income	(17,125,880)	(15,145,113)
	(7,820,658)	(5,092,096)
Operating cash flows before changes in working capital	(12,829,016)	(14,566,585)
(Increase) / decrease in current assets		
Stock in trade	(539,230)	(118,661)
Trade debts	(990,962)	290,683
Loans and advances	(35,198)	974,813
Tax refunds due from Government - sales tax	483,075	864,199
	(1,082,315)	2,011,034
Increase in current liabilities		
Trade and other payables	(888,182)	87,823
	(1,970,497)	2,098,857
Net cash used in operations	(14,799,513)	(12,467,728)
Income tax paid	(3,901,251)	(3,395,412)
Finance cost paid	(514)	(5,947)
	(3,901,765)	(3,401,358)
Net cash used in operating activities	(18,701,278)	(15,869,086)
CASH FLOWS FROM INVESTING ACTIVITIES		
Rent received	18,010,750	15,757,643
Addition in Property Plant & Equipment	-	-
Net cash generated from investing activities	18,010,750	15,757,643
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in short term borrowings	723,450	823,317
Net cash generated from financing activities	723,450	823,317
Net increase/(decrease) in cash and cash equivalents	32,922	711,874
Cash and cash equivalent at the beginning of the period	32,337	58,509
Cash and cash equivalent at the end of the period	65,258	770,383

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 QUARTER ENDED MARCH 31, 2021

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, Ghara 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 Ghara 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 quarter ended March 31, 2021 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, 2020.

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 half year ended March 31, 2021 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, 2021.

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 506.775 million (June 30, 2020: Rupees 501.636 million) as at March 31, 2021 against the issued subscribed and paid up capital of Rupees 149.580 (June 30, 2020: Rupees 149.580) million turning shareholders' equity to a negative balance of Rupees 196.722 million (June 30, 2020: 188.031 million). The current liabilities exceed the current assets by Rupees 367.794 million (June 30, 2020: 362.979 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, 2020, 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, 2020. 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, 2021	Audited June 30, 2020
		-----Rupees-----	
Operating assets	7.1	67,495,803	68,598,629
Non operating assets	7.2	103,146,628	106,206,776
		<u>170,642,431</u>	<u>174,805,405</u>
7.1 Operating assets			
Opening book value		68,598,629	70,248,856
Less: Depreciation charged during the period		(1,102,826)	(1,650,227)
Add: Addition During the Year		-	-
Add: Surplus/(Deficit)		-	-
		<u>(1,102,826)</u>	<u>(1,650,227)</u>
Closing book value		<u>67,495,803</u>	<u>68,598,629</u>
7.2 Non operating assets			
Opening book value		106,206,776	110,740,329
Less: Depreciation charged during the period		(3,060,148)	(4,533,553)
Add: Surplus/(Deficit)		-	-
		<u>(3,060,148)</u>	<u>(4,533,553)</u>
Closing book value		<u>103,146,628</u>	<u>106,206,776</u>
8 COST OF SALES			
		Third Quarter Ended	
	Note	March 31, 2021	March 31, 2020
		-----Rupees-----	
Opening finished goods		661,281	688,248
Purchases of pipes and fittings		33,600	167,988
Cost of goods manufactured	8.1	18,391,336	16,822,372
		<u>19,086,218</u>	<u>17,678,607</u>
Closing finished goods		(727,353)	(667,231)
		<u>18,358,864</u>	<u>17,011,376</u>
8.1 Cost of Goods Manufactured			
Opening raw material		47,804	73,474
Purchase of raw material		5,719,855	2,849,975
Closing raw material		(304,961)	(86,224)
		<u>5,462,697</u>	<u>2,837,225</u>
Packing and raw material consumed		562,500	562,500
Director's remuneration		5,498,837	5,863,615
Salaries, wages and benefits		1,631,052	1,617,692
Fuel and power		50,928	81,630
Stores and spares		665,195	825,396
Repair and maintenance		(2,329)	69,926
Postage and telephone		300,411	96,500
Rent, rates and taxes		339,222	417,840
Traveling and conveyance		6,465	29,691
Entertainment		4,090,058	4,547,285
Depreciation		<u>18,605,037</u>	<u>16,949,300</u>
Opening work in process		21,487	23,478
Closing work in process		(235,187)	(150,407)
		<u>(213,700)</u>	<u>(126,929)</u>
		<u>18,391,336</u>	<u>16,822,371</u>

9 TRANSACTIONS WITH RELATED PARTIES

Relationship with the company	Nature of transaction	Third Quarter Ended	
		March 31,	March 31,
		2021	2020
		-----Rupees-----	
Directors and Sponsors	Loan Received	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 23, 2021 by the board of directors of the company.



ARIF SHAFFI
CHIEF EXECUTIVE



MUHAMMAD SHAFFI
DIRECTOR



ASIF SHAFFI
CHIEF FINANCIAL OFFICER