

SHAVYL®

HALF YEARLY

REVIEWED
REPORT AND ACCOUNT

December 31, 2022
(UNAUDITED)

Pakistan PVC Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN	Adnan Shaffi
CHIEF EXECUTIVE	Arif Shaffi
DIRECTORS	Arshad Javaid Adeel Shaffi Saira 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.

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 half year ended December 31, 2022 along with the auditors' review report.

The financial position of your company during the half year ended December 31, 2022 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 has increased to Rs. 6.953 million as compared to Rs. 5.862 million of the same period last year and net profit during the year was Rs. 108.704 million as compared to a net loss of Rs. 4.973 million during the previous year.

1. AUDITORS' RESERVATION OF GOING CONCERN

The auditors have qualified their opinion, since your company has prepared the accounts on the going concern basis. The reason given in their qualification is the continued losses sustained by your company, no improvement/result of the efforts made by the management for obtaining additional capital. The case for the revival of your company remains under active consideration with the Committee for Revival of Sick Industrial Units set up by the Finance Division, Government of Pakistan.

2. AUDITORS' RESERVATION ABOUT DIRECT CONFIRMATION

As regards confirmations from the lenders of short term loan from Government of Pakistan reflected under current portion of long term financing amounting to Rupees 32.991 million. The company had dispatched the balance confirmation letters several times to lenders of long term loans.

3. AUDITORS' RESERVATION ABOUT LONG OUTSTANDING BALANCES

As regards balances of very long outstanding balances of Trade and Other Payables in respect of Accrued liability of Rupees 10.000 million towards Privatization Commission, Finance Division we have to state that this balance is appearing in the company's accounts since last many years. And as regards confirmations from the Trade and Other Payables in respect of Accrued liability the company had dispatched the balance confirmation letters to the Trade and Other Payables in respect of Accrued liability and we understand that an over all majority of these have been responded too.

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: February 24, 2023

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

بورڈ میں اپنے ساتھیوں کی جانب سے، میں آپ کے سامنے 31 دسمبر 2022 کو اختتام پذیر ہونے والی نصف سال کا غیر آڈٹ شدہ اکاؤنٹس پیش کر رہا ہوں۔

31 دسمبر 2022 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 جائزہ سال کے دوران فروخت بڑھ کر 6.953 ملین روپے ہو گئی ہے گذشتہ برس کے مقابلے میں اسی مدت کے دوران 5.862 ملین روپے۔ سال کے دوران خالص منافع 108.704 روپے ملین کے خالص نقصان کے مقابلے میں تھا۔ گزشتہ سال کی اسی مدت کے دوران 4.973 روپے ملین تھا۔

1. گونگ کنسرن کے متعلق آڈیٹرز کا نقطہ نظر

آڈیٹرز نے اپنا نقطہ نظر کوالیفائی کر لیا ہے کیونکہ آپ کی کمپنی نے گونگ کنسرن کی بنیاد پر کھاتہ جات تیار کیے ہیں۔ ان کے نقطہ نظر میں دی گئی وجوہات یہ ہیں کہ آپ کی کمپنی نے مسلسل نقصانات برداشت کیے ہیں جبکہ اضافی سرمایہ حاصل کرنے کے لیے انتظامیہ کی جانب سے کیے جانے والے اقدامات سے کوئی نتیجہ برآمد نہیں ہوا اور نہ ہی کوئی بہتری آئی۔ آپ کی کمپنی کی تجدید کا کیس فنانس ڈویژن حکومت پاکستان کی جانب سے کمزور صنعتی اداروں کی تجدید کے لیے قائم کردہ کمیٹی میں فعال طور پر زیر غور رہا۔

2. براہ راست تصدیق کے متعلق آڈیٹرز کا نقطہ نظر

حکومت پاکستان کی طرف سے قلیل مدتی قرض کے قرض دہندگان کی طرف سے تصدیق کے بارے میں 32.991 ملین روپے کی طویل مدتی فنانشنگ کے موجودہ حصے کے تحت اور 15.000 ملین روپے کی UBL کیش فنانس کے تحت عکاسی کی گئی ہے، کمپنی نے طویل مدتی قرضوں کے قرض دہندگان کو متوازن تصدیقی خط بھیجے تھے۔

3. طویل عرصے سے بقایا جات کے متعلق آڈیٹرز کا نقطہ نگاہ

نچکاری کمیشن، فنانس ڈویژن کی طرف 10,000 ملین روپے کی جمع شدہ واجبات کے سلسلے میں تجارت اور دیگر ادائیگیوں کے بہت طویل عرصے سے متوازن توازن کے حوالے سے، ہمیں یہ بیان کرنا ہوگا کہ یہ توازن گذشتہ کئی سالوں سے کمپنی کے کھاتوں میں ظاہر ہو رہا ہے۔ تجارت اور دیگر ادائیگیوں کی تصدیق کے سلسلے میں، کمپنی نے بیلنس کے توثیقی خط بھیجے تھے اور ہم سمجھتے ہیں کہ ان میں سے اکثریت نے جواب دیا ہے۔

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: 24 فروری 2023

جانب سے

محمد شفیع
ڈائریکٹر

عارف شفیع
چیف ایگزیکٹو

MUSHTAQ & COMPANY

CHARTERED ACCOUNTANTS

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Independent Auditor's review report to the members of Pakistan PVC Limited

Report on the Review of the Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pakistan PVC Limited as at December 31, 2022 and the related condensed interim statement of profit or loss and condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarter ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedure. A review is substantially less in scope than audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Disclaimer of Conclusion

1. As shown in this condensed interim financial information the company has accumulated loss of Rupees 403.858 million (June 30, 2022: Rupees 514.479 million) as at December 31, 2022 against the issued subscribed and paid up capital of Rupees 149.580 (June 30, 2022: Rupees 149.580) million turning shareholders' equity to a negative balance of Rupees 101.168 million (June 30, 2022: Rupees 209.871 million). The current liabilities exceed the current assets by Rupees 263.695 million (June 30, 2022: Rupees 374.632 million). Further, the company has not been able to obtain enough finance to revive its Gharo plant 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 and therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements do not include any adjustments 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. The management has not prepared cash flow projections and future plan to revive the operation of Gharo plant closed since 1995.
2. Bank statements are not available to verify the correctness of balance of short-term loan from Government of Pakistan reflected under current portion of long-term financing amounting to Rupees 32.991 million along with markup accrued thereon amounting to Rupees 108.467 million. The underlying terms and conditions of this borrowing remained unverified.

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

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3. Due to very long outstanding balances and non-availability of underlying records, we are unable to verify the amount included in trade and other payables in respect of accrued liabilities of Rupees 10.000 million towards Privatization Commission, Finance Division.
4. We do not concur with the accounting treatment of leasehold land in these financial statements being violation of the requirements of International Accounting Standards (IAS 40) "Investment Property".
5. As more fully explained in note 8.2 of this condensed interim financial information the impact on the condensed interim financial statements of the disputed CDA plot of land at Islamabad is not determinable.

Disclaimer of Conclusion

Because of the significance of the matters referred in paragraph 1 to 5 above, we are unable to obtain sufficient and appropriate evidence to form a conclusion on the accompanying interim financial information. Accordingly, we do not express any conclusion on these financial statements.

The engagement partner on review resulting in this independent auditor's report is **Zahid Hussain Zahid, FCA**.


MUSHTAQ & CO.
Chartered Accountants



Karachi.

Dated: February 24, 2023

UDIN: RR2022100436xyU2Rmi8

PAKISTAN PVC LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

Note	Un-audited December 31, 2022	Audited June 30, 2022	Note	Un-audited December 31, 2022	Audited June 30, 2022
		-----Rupees-----			-----Rupees-----
SHARE CAPITAL AND RESERVES			NON CURRENT ASSETS		
Authorized capital					
15,000,000 (June 30, 2022: 15,000,000) ordinary shares of Rs.10/- each	150,000,000	150,000,000	Property, plant and equipment	162,032,395	164,270,680
Issued, subscribed and paid up capital			Long term investments	494,935	490,243
14,958,000 (June 30, 2022: 14,958,000) ordinary shares of Rs.10/- each	149,580,000	149,580,000		162,527,330	164,760,923
Accumulated loss	(403,858,070)	(514,479,268)			
Surplus on revaluation of fixed assets	153,110,192	155,027,863			
	(101,167,878)	(209,871,405)			
CURRENT LIABILITIES			CURRENT ASSETS		
Trade and other payables	87,242,966	87,946,388	Stock in trade	1,142,720	829,089
Unclaimed Dividend	45,980	45,980	Trade debts	4,141,325	3,150,114
Accrued interest / mark up	108,467,629	213,616,959	Loans and advances	701,206	384,329
Short term borrowings	43,912,977	43,056,894	Trade deposits	100,000	100,000
Current portion of long term financing	32,991,000	32,991,000	Other receivables	698,133	515,342
Provision for taxation - net	2,890,742	5,401,034	Tax refunds due from Government	4,724,057	3,216,594
	275,551,294	383,058,255	Cash and bank balances	348,645	230,459
CONTINGENCIES AND COMMITMENTS				11,856,086	8,425,927
	174,383,416	173,186,850		174,383,416	173,186,850

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 AND HALF YEAR ENDED DECEMBER 31, 2022

	Note	Quarter Ended		Half Year Ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
-----Rupees-----					
Sales - net		3,814,432	3,127,596	6,953,420	5,862,359
Cost of sales	10	(6,190,213)	(6,430,386)	(14,472,199)	(12,974,507)
Gross loss		(2,375,781)	(3,302,790)	(7,518,779)	(7,112,148)
Other income	11	114,524,338	6,691,190	121,589,621	13,125,394
Distribution cost		(1,277,854)	(1,172,267)	(2,632,716)	(2,002,093)
Administrative expenses		(1,453,150)	(1,199,016)	(3,256,148)	(2,734,691)
Finance cost		(911,232)	(1,811,466)	(1,818,485)	(3,621,211)
Profit/(Loss) before taxation		108,506,321	(794,350)	106,363,493	(2,344,749)
Taxation		2,376,870	(1,469,799)	2,340,034	(2,627,751)
Profit/(Loss) for the period		110,883,191	(2,264,148)	108,703,527	(4,972,500)
Earning/(Loss) per share - basic and diluted		7.41	(0.15)	7.27	(0.33)

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 AND HALF YEAR ENDED DECEMBER 31, 2022

	Quarter Ended		Half Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	-----Rupees-----			
Profit/(Loss) for the period	110,883,191	(2,264,148)	108,703,527	(4,972,500)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	110,883,191	(2,264,148)	108,703,527	(4,972,500)

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 HALF YEAR ENDED DECEMBER 31, 2022

	Issued, subscribed and paid up capital	Revenue Reserve	Capital Reserve	Total
		Accumulated loss	Revaluation Surplus	
Balance as at July 1, 2021	149,580,000	(508,459,920)	159,289,353	(199,590,567)
Loss for the period	-	(4,972,500)	-	(4,972,500)
Other Comprehensive income for the period	-	-	-	-
Transfer from revaluation surplus on account of incremental depreciation	-	2,130,745	(2,130,745)	-
Balance as at December 31, 2021	<u>149,580,000</u>	<u>(511,301,675)</u>	<u>157,158,608</u>	<u>(204,563,067)</u>
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	<u>149,580,000</u>	<u>(403,858,070)</u>	<u>153,110,192</u>	<u>(101,167,878)</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 CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	December 31, 2022	December 31, 2021
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss before taxation)	106,363,493	(2,344,749)
Adjustments for :		
Depreciation	2,238,285	2,492,014
Finance cost	1,818,485	3,621,211
Accrued Interest on investment	(4,692)	(22,036)
Gain on fixed asset disposal	-	(49,935)
Rental income	(14,604,562)	(13,053,423)
	(10,552,484)	(7,012,169)
Operating cash flows before changes in working capital	95,811,010	(9,356,917)
(Increase) / decrease in current assets		
Stock in trade	(313,631)	223,748
Trade debts	(991,211)	216,951
Loans and advances	(316,877)	(35,999)
Tax refunds due from Government - sales tax	(1,507,463)	1,951,458
	(3,129,182)	2,356,159
Increase / (decrease) in current liabilities		
Trade and other payables	(438,105)	(1,837,018)
	(3,567,287)	519,141
Net cash generated from / (used in) operations	92,243,723	(8,837,776)
Income tax paid	(170,258)	(4,581,842)
Finance cost paid	(106,967,815)	(1,722)
	(107,138,073)	(4,583,564)
Net cash used in operating activities	(14,894,350)	(13,421,340)
CASH FLOWS FROM INVESTING ACTIVITIES		
Rent received	14,156,453	12,870,749
Proceeds from fixed asset disposal	-	50,000
Net cash generated from investing activities	14,156,453	12,920,749
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in short term borrowings	856,083	393,268
Net cash generated from financing activities	856,083	393,268
Net increase/(decrease) in cash and cash equivalents	118,186	(107,322)
Cash and cash equivalent at the beginning of the period	230,459	175,035
Cash and cash equivalent at the end of the period	348,645	67,713

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 HALF YEAR ENDED DECEMBER 31, 2022

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. It's registered office is located at Shaffiabad, Ghara, 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 half year ended December 31, 2022 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, 2022.

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 half year ended December 31, 2022 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, 2022.

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 403.858 million (June 30, 2022: Rupees 514.479 million) as at December 31, 2022 against the issued subscribed and paid up capital of Rupees 149.580 (June 30, 2022: Rupees 149.580) million turning shareholders' equity to a negative balance of Rupees 101.168 million (June 30, 2022: Rupees 209.871 million). The current liabilities exceed the current assets by Rupees 263.695 million (June 30, 2022: Rupees 374.632 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, 2022, 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, 2022. 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 December 31, 2022	Audited June 30, 2022
	Note	-----Rupees-----	
Interest / markup on:			
Short term borrowings-UBL	6.1	-	106,963,836
Long term financing		108,467,629	106,653,123
		<u>108,467,629</u>	<u>213,616,959</u>

6 SHORT TERM BORROWINGS

		Un-audited December 31, 2022	Audited June 30, 2022
	Note	-----Rupees-----	
From banking companies - secured			
Cash finance	6.1	-	15,000,000
From related parties and directors - unsecured			
Related parties		22,726,509	22,726,509
Directors		19,754,631	4,517,631
Book over draft - unsecured		1,431,837	812,754
		<u>43,912,977</u>	<u>43,056,894</u>

- 6.1 This represents UBL cash finance amounting to Rs. 15,000,000. Suit against the recovery of short term borrowings has been filed by the bank against the company was decreed in favor of the bank by the Banking Court for Rs. 21,978,493 and markup thereon from the date of filing of suit. The amount of markup Rs.106,963,836 has not been confirmed by the bank and has been accrued by the company on estimated basis.

During the period the company has made out of court settlement with UBL. As per the settlement the company has to pay Principal amount before December 28,2022. If company pays the principal amount within the stipulated time period, the bank will waive off the remaining liability.

The company has paid the settlement amount before the stipulated time period i.e December 28,2022. Therefore, upon payment of the entire settlement amount of Rs. 15,000,000/-, the bank has issued no dues certificate and has also issued NOC for vacation of charge from SECP. As a result, the company has reversed the accrued markup of Rs. 106,963,836/-.

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 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.
- 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. 32,971,000 along with the markup thereon amounting to Rs. 104,838,618 aggregating to Rs. 137,809,618. During year 2020, the case is dismissed because no one tendered appearance on behalf of Plaintiff before the Court on the day of hearing. Due to ongoing dispute with the privatization commission on various issues the amount is yet to be finalized.

9 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited December 31, 2022	Audited June 30, 2022
-----Rupees-----			
Operating assets	9.1	65,230,474	65,816,279
Non operating assets	9.2	96,801,921	98,454,401
		<u>162,032,395</u>	<u>164,270,680</u>
9.1 Operating assets			
Opening book value		65,816,279	67,128,195
Less: Depreciation charged during the period / year		(585,805)	(1,311,916)
Add/Less: Addition/Disposal during the period / year		-	-
Add/Less: Surplus/(Deficit)		-	-
		<u>(585,805)</u>	<u>(1,311,916)</u>
Closing book value		<u>65,230,474</u>	<u>65,816,279</u>
9.2 Non operating assets			
Opening book value		98,454,401	102,126,578
Less: Depreciation charged during the period / year		(1,652,480)	(3,672,177)
Add/Less: Surplus/(Deficit)		-	-
		<u>(1,652,480)</u>	<u>(3,672,177)</u>
Closing book value		<u>96,801,921</u>	<u>98,454,401</u>

10 COST OF SALES

		Unaudited Half Year Ended	
		December 31, 2022	December 31, 2021
-----Rupees-----			
Opening finished goods		597,850	686,057
Purchases of pipes and fittings		200,312	15,000
Cost of goods manufactured	10.1	13,960,939	12,754,471
		<u>14,759,101</u>	<u>13,455,529</u>
Closing finished goods		(286,902)	(481,022)
		<u>14,472,199</u>	<u>12,974,507</u>

10.1 Cost of Goods Manufactured

	Note	Unaudited	
		Half Year Ended	
		December 31, 2022	December 31, 2021
-----Rupees-----			
Opening raw material		173,928	71,872
Purchase of raw material		3,945,265	3,892,681
Closing raw material		(190,109)	(114,620)
Packing and raw material consumed		3,929,084	3,849,933
Director's remuneration		375,000	375,000
Salaries, wages and benefits		5,159,080	4,098,193
Fuel and power		1,758,833	1,427,558
Stores and spares		13,915	21,000
Repair and maintenance		310,244	171,794
Postage and telephone		62,675	36,022
Rent, rates and taxes		-	-
Traveling and conveyance		737,381	260,657
Entertainment		16,401	-
Depreciation		2,206,724	2,452,853
		<u>14,569,337</u>	<u>12,693,011</u>
Opening work in process		57,311	91,073
Closing work in process		(665,709)	(29,613)
		<u>(608,398)</u>	<u>61,460</u>
		<u>13,960,939</u>	<u>12,754,471</u>

11 OTHER INCOME

From financial assets/liability			
Profit on term deposit account		21,223	22,036
Markup reversed against bank settlement	6.1	106,963,836	-
From other than financial assets			
Rental income		14,604,562	13,053,423
Profit on sale of fixed asset		-	49,935
		<u>121,589,621</u>	<u>13,125,394</u>

12 TRANSACTIONS WITH RELATED PARTIES

Relationship with the company	Nature of transaction	Unaudited	
		Half Year Ended	
		December 31, 2022	December 31, 2021
-----Rupees-----			
Directors and Sponsors	Loan Received	16,232,000	1,074,400
Directors and Sponsors	Loan Repaid	995,000	538,400

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 **February 24, 2023** by the board of directors of the company.


ARIF SHAFFI
CHIEF EXECUTIVE


MUHAMMAD SHAFFI
DIRECTOR


ASIF SHAFFI
CHIEF FINANCIAL OFFICER