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# HALF YEARLY

## REVIEWED REPORT AND ACCOUNT

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December 31, 2023  
(UNAUDITED)



# 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
سائبرٹیمف؟ع	جی؟ٹرم؟ن
بارف سفا؟ع	ف؟ا؟گز؟ک؟ٹو
ارشد جاو؟د عد؟ل شفا؟ع عبدلہ شفا؟ع محمد اقبال محمد شفا؟ع	ڈائریکٹرز
عد؟ل شفا؟ع	کمپن؟ س؟کر؟ٹر؟
آصف شفا؟ع مشتاق انڈیا کمپن؟ ، چارٹرڈ اکاؤنٹنٹس	جی؟ف فنانشل آف؟سر آڈیٹرز
ارشد جاو؟د - جی؟ٹرم؟ن محمد اقبال - رکن محمد شفا؟ع - رکن	آڈٹ کم؟ٹ؟
ارشد جاو؟د - جی؟ٹرم؟ن محمد اقبال - رکن محمد شفا؟ع - رکن	انسان؟ وسائل & معاوضے کم؟ٹ؟
حب؟ب ب؟نک لم؟ٹنڈ ا؟م س؟ب؟ ۲۲۲۲ ۲۲۲۲ ف؟صل ب؟نک لم؟ٹنڈ	ب؟نکر
شفا؟ع آباد ، گھارو ، ضلع ٹھٹھہم س؟کٹر 9 - I ، انڈسٹریل ایر؟ا ، اسلام آباد .	منظور شدہ دفتر ہ؟ڈ آفس
CORPLINK (PVT) LTD., Wings Arcade, 1 – K, Commercial, Model Town, Lahore.	حصص رجسٹرار
شفا؟ع آباد ، گھارو ، ضلع ٹھٹھہم ، س؟کٹر 9 - I ، انڈسٹریل ایر؟ا ، اسلام آباد .	ف؟کٹر؟و
+9251 – 4430317, +9251 - 4444578	ٹ؟ل؟ فون
info@shavy1.com	ا؟م؟ل اڈرس
www.pakistanpvc.com	و؟ب سائٹ
0001781	کمپن؟ رجسٹر؟شن نمبر
0823852 – 9, 07 – 01 – 3900 – 005 – 64	ن؟شنل ٹ؟کس نمبر س؟لز ٹ؟کس نمبر
کمپن؟ س؟کر؟ٹر؟ ٹ؟ل؟ فون - 4444578 - 9251 +	شخص کے رابطے کا تفصیلات کا مدد اور ہ؟نڈلنگ 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 half year ended December 31, 2023 along with the auditors' review report.

The financial position of your company during the half year ended December 31, 2023 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 decreased to Rs. 3.814 million as compared to Rs. 6.953 million of the same period last year and net profit during the year was Rs. 110.883 million as compared to a net profit of Rs. 108.704 million during the same period last 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**

Handwritten signatures of Arif Shaffi and Mohammad Shaffi.

**(ARIF SHAFFI)**  
Chief Executive

**(MOHAMMAD SHAFFI)**  
Director

Islamabad: February 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 دسمبر 2023 کو اختتام پذیر ہونے والی نصف سال کا غیر آڈٹ شدہ اکاؤنٹس پیش کر رہا ہوں۔

31 دسمبر 2023 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 قدمیں 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 جائزہ سال کے دوران فروخت بڑھ کر 3.814 ملین روپے ہو گئی ہے گذشتہ برس کے مقابلے میں اسی مدت کے دوران 6.953 ملین روپے۔ زیر جائزہ سال کے دوران خالص منافع 110.883 ملین روپے تھا گذشتہ برس کے مقابلے میں اسی مدت کے دوران خالص منافع 108.704 ملین روپے 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 جانب سے قلیل مدتی قرض کے قرض دہندگان کی تصدیق کے حوالے سے طویل مدتی فنانسنگ کے موجودہ حصے کے تحت 32.991 ملین روپے کی رقم ظاہر ہوتی ہے۔ کمپنی نے طویل مدتی قرضوں کے قرض دہندگان کو متعدد بار بیلنس کی تصدیق کے خطوط 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 جانب سے

اسلام آباد: 26 فروری 2024

محمد شفیع  
ڈائریکٹر

عارف شفیع  
چیف ایگزیکٹو

# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

Head Office: 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-3  
Email: info@mushtaqandco.com, audit.khi@mushtaqandco.com



### *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, 2023 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

##### **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 415.090 million (June 30, 2023: Rupees 421.930 million) as at December 31, 2023 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 16.932 million (June 30, 2023: Rupees 20.556 million). The current liabilities exceed the current assets by Rupees 274.600 million (June 30, 2023: Rupees 281.490 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 / confirmations 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

# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

Head Office: 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-3  
Email: info@mushtaqandco.com, audit.khi@mushtaqandco.com



Rupees 32.991 million along with markup accrued thereon amounting to Rupees 112.097 million. The underlying terms and conditions of this borrowing remained unverified.

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 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 **Nouman Arshad, ACA**.

*Mushtaq & Co.*  
**MUSHTAQ & CO.**  
Chartered Accountants



Lahore.  
Dated: 26-February-2024  
UDIN: RR202310724q8nM16etm



**PAKISTAN PVC LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	Un-audited December 31, 2023	Audited June 30, 2023		Un-audited December 31, 2023	Audited June 30, 2023
Note	-----Rupees-----		Note	-----Rupees-----	
<b>SHARE CAPITAL AND RESERVES</b>			<b>NON CURRENT ASSETS</b>		
<b>Authorized capital</b>					
15,000,000 (June 30, 2023: 15,000,000) ordinary shares of Rs.10/- each	150,000,000	150,000,000	Property, plant and equipment	9 256,893,925	260,395,096
<b>Issued, subscribed and paid up capital</b>					
14,958,000 (June 30, 2023: 14,958,000) ordinary shares of Rs.10/- each	149,580,000	149,580,000	Long term investments	773,898	538,377
Accumulated loss	(415,089,645)	(421,929,708)		257,667,823	260,933,473
Surplus on revaluation of fixed assets	248,577,336	251,793,507			
	(16,932,309)	(20,556,201)			
<b>CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>		
Trade and other payables	91,618,715	87,843,207	Stock in trade	989,404	1,587,302
Unclaimed Dividend	45,980	45,980	Trade debts	4,694,201	3,419,606
Accrued interest / mark up	5 112,096,638	110,282,133	Loans and advances	1,122,018	923,606
Short term borrowings	6 46,297,880	46,846,622	Trade deposits	100,000	100,000
Current portion of long term financing	7 32,991,000	32,991,000	Other receivables	269,654	720,183
Provision for taxation - net	3,467,875	17,099,018	Tax refunds due from Government	4,600,789	6,792,701
	286,518,088	295,107,960	Cash and bank balances	141,890	74,889
<b>CONTINGENCIES AND COMMITMENTS</b>				11,917,956	13,618,287
	269,585,779	274,551,760		269,585,779	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 HALF YEAR ENDED DECEMBER 31, 2023**

Note	Quarter Ended		Half Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
-----Rupees-----				
Sales - net	2,605,010	3,814,432	4,909,523	6,953,420
Cost of sales	10 (9,090,594)	(6,190,213)	(17,849,242)	(14,472,199)
Gross loss	(6,485,584)	(2,375,781)	(12,939,719)	(7,518,779)
Other income	11 7,914,624	114,524,338	15,769,980	121,589,621
Distribution cost	(1,591,059)	(1,277,854)	(3,075,972)	(2,632,716)
Administrative expenses	(2,221,708)	(1,453,150)	(4,370,138)	(3,256,148)
Finance cost	(916,386)	(911,232)	(1,823,639)	(1,818,485)
Profit/(Loss) before taxation	(3,300,113)	108,506,321	(6,439,488)	106,363,493
Taxation	10,086,260	2,376,870	10,063,380	2,340,034
Profit for the period	6,786,147	110,883,191	3,623,892	108,703,527
Earning per share - basic and diluted	0.45	7.41	0.24	7.27

*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 HALF YEAR ENDED DECEMBER 31, 2023**

	Quarter Ended		Half Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupees-----			
Profit/(Loss) for the period	6,786,147	110,883,191	3,623,892	108,703,527
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	<u>6,786,147</u>	<u>110,883,191</u>	<u>3,623,892</u>	<u>108,703,527</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 HALF YEAR ENDED DECEMBER 31, 2023

	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	-	3,623,892	-	3,623,892
Other Comprehensive income for the period	-	-	-	-
Transfer from revaluation surplus on account of incremental depreciation	-	3,216,171	(3,216,171)	-
Balance as at December 31, 2023	149,580,000	(415,089,645)	248,577,336	(16,932,309)

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, 2023**

	December 31, 2023	December 31, 2022
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(6,439,488)	106,363,493
Adjustments for :		
Depreciation	3,501,171	2,238,285
Finance cost	1,823,639	1,818,485
Accrued Interest on investment	(35,521)	(4,692)
Gain on fixed asset disposal	-	-
Rental income	(15,734,459)	(14,604,562)
	(10,445,170)	(10,552,484)
Operating cash flows before changes in working capital	(16,884,658)	95,811,010
(Increase) / decrease in current assets		
Stock in trade	597,898	(313,631)
Trade debts	(1,274,595)	(991,211)
Loans and advances	(198,412)	(316,877)
Tax refunds due from Government - sales tax	(73,028)	(1,507,463)
	(948,137)	(3,129,182)
Increase / (decrease) in current liabilities		
Trade and other payables	3,775,508	(438,105)
	2,827,371	(3,567,287)
Net cash generated from / (used in) operations	(14,057,287)	92,243,723
Income tax paid	(1,998,552)	(170,258)
Finance cost paid	(9,134)	(106,967,815)
	(2,007,686)	(107,138,073)
<b>Net cash used in operating activities</b>	(16,064,973)	(14,894,350)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Rent received	16,880,716	14,156,453
Investment in term deposit certificates	(200,000)	-
Proceeds from fixed asset disposal	-	-
<b>Net cash generated from investing activities</b>	16,680,716	14,156,453
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in short term borrowings	(548,742)	856,083
<b>Net cash generated from financing activities</b>	(548,742)	856,083
Net increase/(decrease) in cash and cash equivalents	67,001	118,186
Cash and cash equivalent at the beginning of the period	74,889	230,459
<b>Cash and cash equivalent at the end of the period</b>	<b>141,890</b>	<b>348,645</b>

*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, 2023**

**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, 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 half year ended December 31, 2023 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 half year ended December 31, 2023 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, 2023.

**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 415.590 million (June 30, 2023: Rupees 421.930 million) as at December 31, 2023 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 16.932 million (June 30, 2023: Rupees 20.556 million). The current liabilities exceed the current assets by Rupees 274.600 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 December 31, 2023	Audited June 30, 2023
	-----Rupees-----	
Interest / markup on:		
Long term financing	112,096,638	110,282,133
	<u>112,096,638</u>	<u>110,282,133</u>

**6 SHORT TERM BORROWINGS**

	Un-audited December 31, 2023	Audited June 30, 2023
	-----Rupees-----	
From related parties and directors - unsecured		
Related parties	23,176,509	22,726,509
Directors	20,943,781	22,129,131
Bank over draft - unsecured	2,177,590	1,990,982
	<u>46,297,880</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 December 31, 2023	Audited June 30, 2023
		-----Rupees-----	
Operating assets	9.1	128,571,614	129,621,925
Non operating assets	9.2	128,322,311	130,773,170
		<u>256,893,925</u>	<u>260,395,095</u>
<b>9.1 Operating assets</b>			
Opening book value		129,621,926	65,816,278
Less: Depreciation charged during the period / year		(1,050,312)	(1,171,610)
Add/Less: Surplus/(Deficit)		-	64,977,257
		(1,050,312)	63,805,647
Closing book value		<u>128,571,614</u>	<u>129,621,925</u>
<b>9.2 Non operating assets</b>			
Opening book value		130,773,170	98,454,401
Less: Depreciation charged during the period / year		(2,450,859)	(3,304,960)
Add/Less: Surplus/(Deficit)		-	35,623,729
		(2,450,859)	32,318,769
Closing book value		<u>128,322,311</u>	<u>130,773,170</u>

## 10 COST OF SALES

	Unaudited Half Year Ended	
	December 31, 2023	December 31, 2022
	-----Rupees-----	
Opening finished goods	542,828	597,850
Purchases of pipes and fittings	-	200,312
Cost of goods manufactured	17,763,327	13,960,939
	<u>18,306,155</u>	<u>14,759,101</u>
Closing finished goods	(456,913)	(286,902)
	<u>17,849,242</u>	<u>14,472,199</u>

## 11 OTHER INCOME

### From financial assets/liability

Profit on term deposit account	35,521	21,223
Markup reversed against bank settlement	-	106,963,836

### From other than financial assets

Rental income	15,734,459	14,604,562
	<u>15,769,980</u>	<u>121,589,621</u>

## 12 TRANSACTIONS WITH RELATED PARTIES

		Unaudited	
		Half Year Ended	
		December 31,	December 31,
		2022	2021
		-----Rupees-----	
Relationship with the company	Nature of transaction		
Directors and Sponsors	Loan Received	1,446,000	16,232,000
Directors and Sponsors	Loan Repaid	2,181,350	995,000

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 26, 2024 by the board of directors of the company.



ARIF SHAFFI  
CHIEF EXECUTIVE



MUHAMMAD SHAFFI  
DIRECTOR



ASIF SHAFFI  
CHIEF FINANCIAL OFFICER